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ABSTRACT

Procedures for validating data reported by students and parents on an application for Basic Educational Opportunity Grants were developed in 1978 for the U.S. Office of Education (OE). Validation activities include: validation of flagged Student Eligibility Reports (SERs) for students whose schools are part of the Alternate Disbursement System; validation of flagged SERs that could not be resolved at schools that act as the disbursing agent; validation of cases referred by schools that find possible misreporting or discrepancies with the SER; validation of SERs selected by OE that may contain errors; and creating payment schedules and collecting funds for students who have received Basic Grant overpayments. The procedures cover: methods for recording and monitoring each type of referral; validating cases referred by schools and OE; providing a telephone service to answer questions about validation; recovering Basic Grant overpayments; and creating a file system to ensure proper storage of materials and timely processing of validation and overpayment recovery cases. Sample letters to be used in the different situations are appended, making up about one-third of the document. (SW)

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VALIDATION OF STUDENT AND PARENT REPORTED DATA ON THE BASIC GRANT APPLICATION FORM

1978-79 COMPREHENSIVE VALIDATION GUIDE

PROCEDURAL MANUAL FOR:

Validation of Cases Referred by Institutions
Validation of Cases Referred by the Office of Education
Recovery of Overpayments

August 31, 1978

Prepared for:

Division of Certification and Program Review
Validation Branch
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INTRODUCTION

Since the beginning of the Basic Educational Opportunity Grant Program's operation in 1973, millions of students have received Federal funds from this program to assist them in meeting the costs of post-secondary education. While the program was not fully funded during the first two years of operation (1973-74 and 1974-75), the large amount of funds disbursed to eligible students was of great concern, particularly in view of the fact that applications have always been processed and, in turn funds disbursed, based upon voluntarily reported financial and personal data. Due to these factors, the Office of Education began formal procedures for studying the accuracy of information reported on Basic Grant applications during the third year (first year the program was fully funded) of the program's operation, 1975-76. To conduct this study, a contract was awarded to Applied Management Sciences to develop validation procedures and implement them on a sample of selected cases as well as cases referred to the Office of Education from participating institutions. A variety of validation activities were conducted by Applied Management Sciences in the two years following the first developmental study including verification of individual applications, a comparison of income data reported on BEOG applications with data reported to the Internal Revenue Service and an analysis of the Basic Grant application corrections process.

The results of these studies indicated that a small, but significant, amount of error was occurring in reporting financial and

personal information on the Basic Grant application. In addition, the Corrections Analysis study revealed a high incidence of corrections changing data initially reported on the application apparently to increase student's eligibility to receive a Basic Grant. In response to these findings, the Office of Education recently authorized and implemented two major modifications to improve the quality of information reported and upon which disbursements are made. The first modification involved revising the corrections process by utilizing additional edits to prevent error at the time the application is processed. The second modification consisted of requiring institutions to validate certain items on approximately 200,000 applications prior to disbursement of Basic Grant funds. The main objective of these modifications is to improve the quality of data reported on Basic Grant applications, and upon which awards are calculated, to assure that funds are being distributed equitably.

Approximately 90 percent of the applications selected by OE for validation by Financial Aid Officials are being selected according to pre-established criteria designed to identify applications with the highest probability of error in a SER item critical to the determination of the student's eligibility. The remaining 10 percent are being selected at random. Schools are able to identify these selected Student Eligibility Reports (SERs) by means of an asterisk shown on the SER. This asterisk indicates that the SER has been flagged for validation by the Financial Aid Officer.

In order to complement the institutional validation, the Bureau of Student Financial Assistance awarded a contract to Applied Management Sciences to conduct additional validation activities. They will consist of the following tasks: 1) providing a telephone service for students and Financial Aid Officers to use in obtaining assistance in validation, as well as for schools to use in referring problem cases for further follow-up; 2) initiate and complete validation of flagged SERs for students who attend institutions participating in

the Alternate Disbursement System; 3) continue validation of flagged SERs which Financial Aid Officers at institutions who do act as the disbursing agent could not successfully resolve; 4) validate cases referred by institutions in which the Financial Aid Officer has discovered documents that conflict with information on the SER, or in which the Financial Aid Officer has reasonable grounds to believe that misreporting has occurred; 5) validate SERs selected by the Office of Education and its contractors which may contain errors; and 6) establish payment schedules and collect funds from individuals referred by institutions who have received Basic Grant Overpayments.

To accomplish these tasks, Applied Management Sciences will implement three basic procedures, i.e., procedures for responding to all calls received on the toll-free telephone lines, validation procedures and overpayment recovery procedures. This Procedural Manual has been developed by Applied Management Sciences to serve as an explanatory guide of the procedures that will be implemented for all validation and overpayment recovery activities to be taken under Contract 300-76-0354.

Chapter 2 specifies the procedures implemented as referrals of validation cases are received. This chapter describes the methods for recording and monitoring each type of referral.

Chapter 3 presents a discussion of the procedures for conducting validation on cases referred by institutions and by the Office of Education. Each step in the validation cycle is discussed separately. References are made to the procedural letters contained in the Appendices.

Chapter 4 describes the procedures used to provide a telephone service to students and Financial Aid Officers for answering questions concerning validation.

Chapter 5 presents a discussion of the procedures that will be implemented in recovering Basic Grant overpayments. References are made to the procedural letters contained in the Appendices.

Chapter 6 describes the file systems that will be used to ensure proper storage of all materials and facilitate timely processing of validation and overpayment recovery cases.

2

PROCEDURES FOR RECEIVING VALIDATION REFERRALS

In the past, cases that were validated by the contractor were received from a variety of sources. The majority of the cases studied were selected from the Basic Grant data base according to pre-established criteria. In addition, a relatively small proporation of the cases were referred by institutions, the Office of Education and other Basic Grant contractors who discovered cases of possible error on Student Eligibility Reports. However, due to the institutional validation being conducted in the 1978-79 academic year, the validation contractor will only validate cases referred to the Office of Education. Cases will be referred from two different sources; i.e., institutions participating in the Basic Grant Program, and the Office of Education (including it's contractors). Within these two groups there are a variety of different types of referrals, specified below:

- Institution Referrals
  - .. flagged SERs from ADS Institutions (who have not validated at all)
  - .. flagged SERs from RDS Institutions (who have initiated, but have not completed validation)
  - .. institutionally selected SERs where FAO has conflicting documents or has reasonable grounds to believe misreporting has occurred
- OE Referrals
  - .. cases of suspected error uncovered during regular activities at OE
  - .. cases of suspected error uncovered by one of the Office of Education's contractors
  - .. cases selected by OE for further study

Since institutions have been given detailed instructions in the procedures they should follow when referring specific types of cases to the Office of Education for follow-up both in the Validation Procedures Handbook[1/] and in routine correspondence from the Office of Education, it is necessary to follow established procedures once a referral is received. Any time that a referral is received, regardless of whether it is complete or not, a minimum amount of data will be recorded and entered into the BEOG Automated Tracking System (BATS), so that records may be kept indicating the overall volume of referrals, the number of each type of referral and any backlogs. The following sections briefly outline the various types of referrals and specify the procedures for receiving and recording them.

2.1: Referrals of Flagged SERs from ADS Institutions

Since institutions participating in the Alternate Disbursement System (ADS) do not disburse payments to students, these schools will not be required to validate SERs flagged by the Office of Education. Instead, ADS schools have been informed via a letter from the Office of Education that they should instruct students to forward all documents to the Validation Office at the following address:

Basic Grant Program
Office of Education
P.O. Box 30908
Washington, D.C. 20034

Furthermore, the letter instructs ADS schools to call the Validation Office to report the receipt of flagged SERs, however the school is not required to call. Thus, it can be expected that ADS cases may be referred to the Validation Office in the following ways:

- FAO calls to report receipt of flagged SER and that Validation Form has been given to the student
- FAO calls to report receipt of flagged SER and that the student needs a Validation Form

[1/] Basic Educational Opportunity Grant Validation Procedures Handbook. Bureau of Student Financial Assistance, DHEW, Office of Education (Washington, D.C., March 15, 1978).

- Student provides documents to Validation Office prior to notification by institution

Upon receipt of a telephone call from an ADS institution notifying the Validation Office that a flagged SER has been presented in the Financial Aid Office, staff will obtain the following information:

Institutional Data

- Name of school and BEOG ID number (Vendor Code)
- Address of school
- Name of Financial Aid Officer
- Financial Aid Office's phone number

Applicant Data

- Name of applicant
- Applicant's Social Security number
- Current address
- Permanent address

Validation Data

- Date of telephone referral
- Has FAO instructed student to refer documents to our office?
- Did FAO give validation materials to student?

This information will be recorded on a data entry form used for ADS cases.

Once all information has been recorded, the call will be terminated, data will be entered into the BATS system and the case file will be set up in preparation for initiation of validation.

2.2: Referrals of Flagged SERs from RDS Institutions

Schools that participate in the Regular Disbursement System (RDS) in which the institution is responsible for computing and disbursing Basic Grant funds are responsible to validate flagged SERs to the best of their ability before referring a case to

the Office of Education for further action. The data elements for which validation may have been attempted include the following:

- Required data elements (FAOs must attempt to validate)
  - .. Adjusted Gross Income
  - .. Federal Income Taxes Paid
  - .. Applicant's Dependency Status
  - .. Household Size
  - .. Number in Postsecondary Schools
- Optional data elements (FAOs may choose to validate)
  - .. Non-taxable income
  - .. Veteran's Educational Benefits
  - .. Medical/Dental Expenses
  - .. Casualty/Theft Losses
  - .. Applicants's/Parent's Savings

Institutions have been instructed to refer cases to the Office of Education only after reasonable attempts to validate have been made, but did not result in resolution of the case. Furthermore, institutions have been instructed to withhold any further payments at the time of referral. Because SERs will be flagged periodically during the beginning of the 1978-79 academic year, and schools will be validating cases according to their own time schedules, cases will be received sporadically at the contractor's office, depending upon the success with which Financial Aid Officers complete the validation of required and optional items.

RDS institutions will also be encouraged to refer cases to the Validation Office via the telephone service, however, this is not required. Thus, there are two methods of referring cases in which students have been flagged for validation, i.e., via telephone and via letter. The two methods are discussed in the subsections which follow.

2.2.1: Telephone Referral

Upon receipt of a call, institutional data and applicant data identical to the information collected from ADS schools will be recorded. The validation data collected will include the following:

- date of telephone referral
- confirmation that the case being referred is a flagged SER
- items already validated by the FAO
- items remaining to be validated
- documents obtained by the FAO
- documents that the FAO was unsuccesful in obtaining
- whether any disbursements have been made
- other pertinent information FAO may offer

The information will be recorded on the data entry sheet used for Pre-Award Validation cases. Once all information is recorded, the FAO will be reminded that (s)he must forward a copy of the flagged SER and all documents obtained to our office before validation activities can begin. We will request that the school send them as soon as possible, preferably with the next thirty days. The address which RDS schools will be instructed to use when referring cases is:

Basic Grant Program
Office of Education
P. O. Box 34437
Washington, D.C. 20034

Once the call has bee completed, the critical information obtained during the call will be entered into the BATS system and the referral will be stored until the documents are received.

2.2.2: Written Referrals

Upon receipt of a written referral, key information regarding the case (identical to the information recorded during the phone referral) is entered on the referral form. If any of the key information is missing from the written referral, the staff member will indicate this by marking the referral sheet as an "incomplete referral." The reviewer will then prepare a letter to be sent to the referring institution indicating the information needed before

follow-up of the case can begin (see Appendix A, Institution Letter #1). The letter will be mailed and the date of mailing will be entered into the BATS system. In the event that the school does not send the information necessary to initiate validation within thirty days from the mailing of the letter, the Office of Education will be informed of this fact and the referral will be stored until further notice is received.

2.3: Institutionally Selected SERs

At any time during the academic year an institution may discover a discrepancy between information reported on a SER and other student information maintained in the Financial Aid Office. As with pre-award validation cases, the Financial Aid Officer has been instructed to attempt to resolve the case prior to referring it to the Office of Education. If the discrepancy is supported by documentation, the Financial Aid Officer should withhold any further payments, however, if there is no documentation to support the alleged error, the school cannot initially withhold payment. Thus, it can be seen that these referrals will require careful recording of the background of the case.

Institutions may choose to refer cases, in which conflicting documentation has been discovered or in which the Financial Aid Officer suspects discrepancies, either by calling to report the referral or simply submitting the referral in writing. As with all other telephone referrals, basic institutional data and applicant data are recorded. The specific validation information collected regarding this type of referral includes the following:

- discrepant item(s) on the SER
- type of supporting documentation or reason for believing discrepancy exists
- amount of Basic Grant funds disbursed to date
- whether Financial Aid Officer has attempted to rectify problem with student.

This information is recorded on the first page of the Insitution/OE Referral Case Report Form. If the referral is called in, the Financial Aid Officer will be reminded that (s)he should forward the documents pertaining to the case. If the referral is submitted in writing, it will be closely reviewed to determine if all materials necessary to begin validation have been provided.

Once the referral is complete, i.e., all documents have been received and all pertinent data has been recorded, the file will be set up in preparation for initiation of validation.

2.4: OE Referrals

Cases referred to the validation office by the Office of Education will consist of instances where review of a student's application indicates that error may exist. These cases will be identified during regular operations of the Basic Grant Program and any one of the Basic Grant contractors. It is expected that these referrals will be received periodically throughout the contract as individual questionable applications are discovered or when a specific set of applications are selected for review, and will always be referred to the contractor's office in written format.

For purposes of recording these referrals, information identical to that recorded for institution referrals of suspected discrepancies will be obtained. Similarly, data will be recorded on the same data entry form used for institution referrals. The form will be marked to identify the fact that the referrals have been received from OE. In the event that the referral is incomplete, the Office of Education will be contacted for further information. Once all data necessary to begin validation has been obtained and entered in the BATS system the case file will be prepared for initiation of validation.

3

PROCEDURES FOR CONDUCTING VALIDATION OF REFERRED CASES

This chapter presents a description of the various procedural steps which occur once a complete referral has been received and entered into the BATs system. The procedures outlined in this chapter specify all possible stages which may occur during the course of validation. While there are slight differences in the procedural letters used to validate the various types of cases referred, the validation cycle is nearly identical for all types of cases subjected to validation. Figure 3.1 displays a flowchart that summarizes the basic steps in the validation cycle. In order to identify the various types of cases mentioned in this chapter, abbreviations have been adopted and will be utilized throughout the manual. They are:

Type of Case	Abbreviated Identifier
Institution referral of Pre-Award Validation flagged SER	PAV
Institution referral of flagged SER from school participating under the Alternate Disbusement System	ADS
Institution referral of SER with Suspected Error	IRSE
OE referral of SER with Suspected Error	ORSE

A brief discussion of each procedural step is given in the sections which follow.

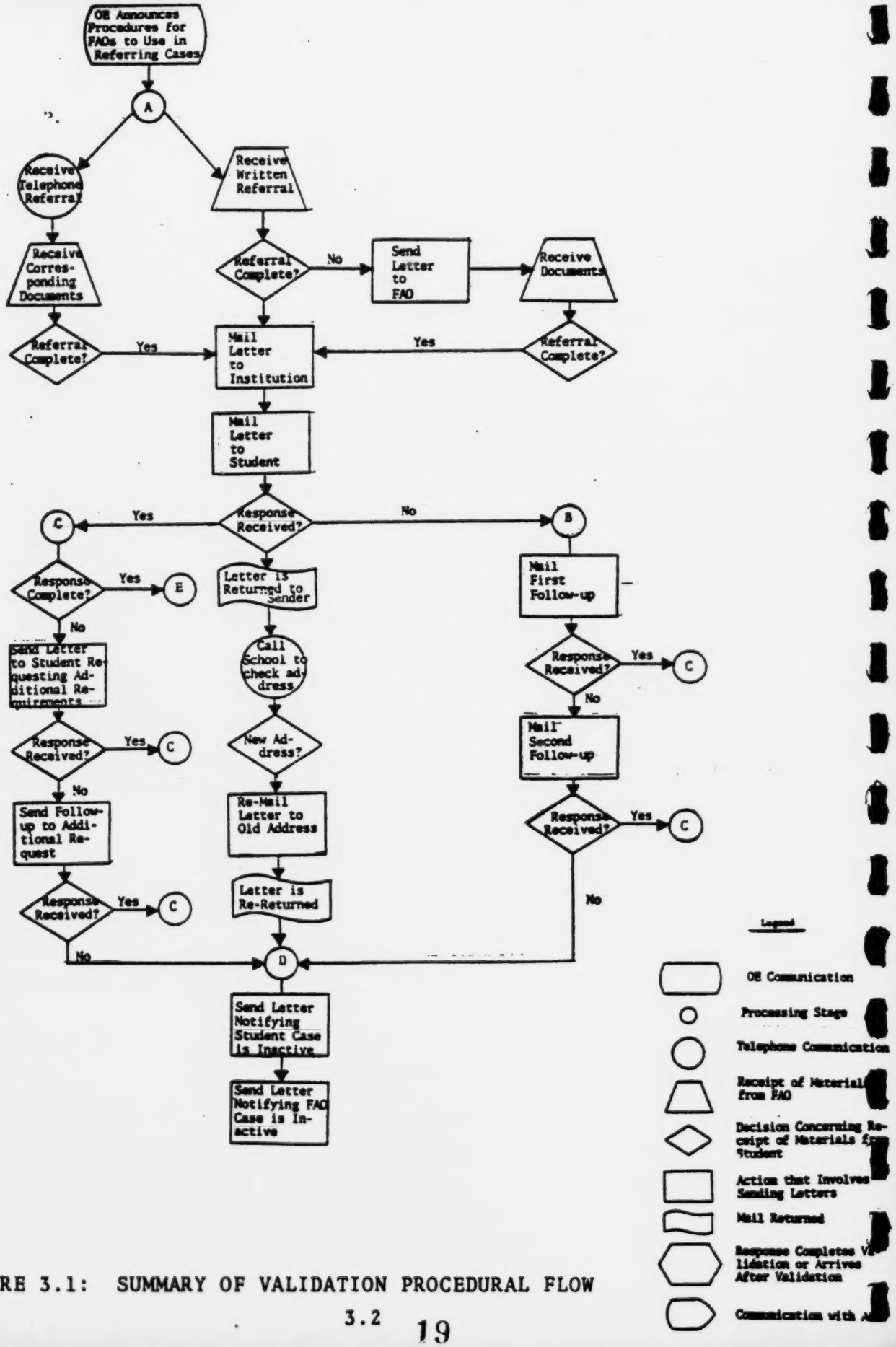


FIGURE 3.1: SUMMARY OF VALIDATION PROCEDURAL FLOW

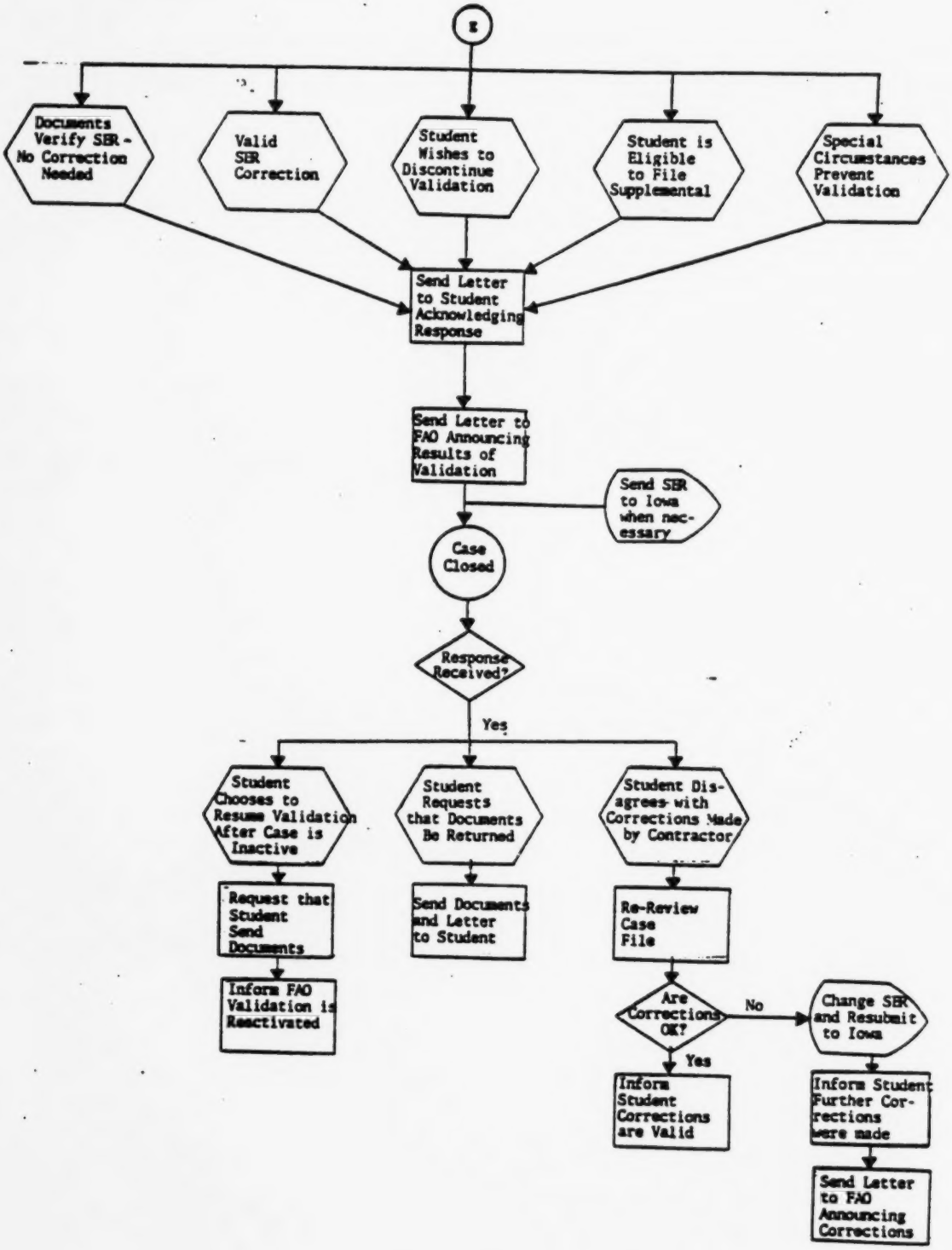

g
Documents Verify SER - No Correction Needed
Valid SER Correction
Student Wishes to Discontinue Validation
Student is Eligible to File Supplemental
Special Circumstances Prevent Validation
Send Letter to Student Acknowledging Response
Send Letter to FAO Announcing Results of Validation
Send SER to Iowa when necessary
Case Closed
Response Received?
Yes
Student Chooses to Resume Validation After Case is Inactive
Student Requests that Documents Be Returned
Student Disagrees with Corrections Made by Contractor
Request that Student Send Documents
Send Documents and Letter to Student
Re-Review Case File
Inform FAO Validation is Reactivated
Are Corrections OK?
No
Change SER and Resubmit to Iowa
Yes
Inform Student Corrections are Valid
Inform Student Further Corrections were made
Send Letter to FAO Announcing Corrections

FIGURE 3.1: (Continued)

3.3

3.1: Prepare and Mail Initial Letter to Student

Once all information concerning a case referred to the validation contractor has been matched (if the referral was given using the telephone service and documents were provided at a later date) a final critical review will be made to determine the exact information needed from the student to validate the SER. Once this review has been completed, the initial letter to be mailed to the student will be prepared. The initial letters are slightly different for each type of case, thus a brief explanation for each type is given below.

3.1.1: Alternate Disbursement System (ADS) Case

Since referrals from ADS institutions are cases where the students have not been required to provide any documents to their financial aid officers, the initial letter merely informs the students of the steps to be taken to validate the Student Eligibility Report. The initial letter will be mailed to students under the following circumstances:

- a student sent in documents within one month after the ADS school reported the flagged SER;
- a student sent in documents prior to the school's referral.

Thus, the initial letter acknowledges the response that the student has provided and provides instructions for completing the validation. A form letter giving general instructions on how to comply is prepared by affixing a mailing label to the front page. In addition, an attachment to this letter is prepared by checking off the specific item(s) which are still needed from the student, such as the student's tax form or other document. Student Letter #1A shown in Appendix B illustrates this letter combination. At the same time the original letter is prepared, a file copy is also prepared and stored in the student's file for future reference.

3.1.2: Pre-Award Validation (PAV) Case

The initial letter mailed to these students will be prepared similar to the ADS letter. An address label will be affixed to a

form letter which informs the student of the basic requirements (s)he must fulfill to finish the validation of the SER. This letter differs from the letter mailed to students attending ADS institutions in that it references the fact that validation was initiated by the financial aid officer at his/her school. Also a pre-printed attachment will be prepared by checking off the exact documents or SER corrections which the student must provide. Student Letter #1B shown in Appendix B exhibits this letter combination. A file copy of the Attachment is stored in the case file for future reference.

3.1.3: Suspected Error Case Referred by Institution (IRSE)

As with all other cases, the initial letter mailed to students whose SERs contain apparent discrepancies consists of a form letter accompanied by an attachment. The form letter notifies the student of the fact that a possible discrepancy has been reported to our office and provides general instructions for validating the SER in question. To prepare this form letter, a mailing address is affixed to the front page. The next step in the preparation of this letter is to prepare the attachment which specifies the exact document(s) which the students should provide to verify the suspected discrepancy. The Worksheet contains two introductory pages explaining its purpose and providing definitions of special circumstances which affect the completion of the Worksheet. The remaining pages of the Worksheet contains descriptions of documents or statements which are necessary to validate particular SER items. The Worksheet is arranged so that a particular item is presented on one page. This allows the staff preparing the letter to select only the sheet(s) which apply to the discrepancy referred. Each sheet selected is checked to show the student the exact document requested. Copies of the form letter and Worksheet (Student Letter #1C) are shown in Appendix B. A file copy of the Worksheet is also prepared and stored in the student's file.

3.1.4: Suspected Error Case Referred by OE (ORSE)

The initial letter prepared for this type of case consists of a form letter giving basic instructions for validating the SER accompanied by a Validation Form. To prepare this letter for mailing, a label containing the student's name and address is attached to the form letter. In addition, all references on the Validation Form instructing the student to take the form to his/her institution are crossed out in black. Student letter #1D in Appendix B displays this letter.

At the time all the initial letters are mailed, the mailing date is recorded in the Individual Case Report form. In addition, the date and type of letter are coded on a data entry form and entered into the BATS system for monitoring of the 30-day time limit which students are given in which to respond.

3.2: Notify Referring Institution that Validation Has Been Initiated by Contractor

Each time that a student is initially contacted by the validation contractor, the financial aid officer who referred the case will also be contacted so that (s)he will be aware of the status of the case. It should be noted that cases referred by OE or one of its contractors will not fall into this category, since often the institution the student is attending is unknown at the time the referral is received. Thus there are only three versions of this letter to institutions: a letter to ADS institutions; a letter to institutions who referred a PAV case; and a letter to institutions who referred an IRSE case. These letters are presented in Appendix B (Institution Letters 2A, 2B and 2C, respectively).

The letter to ADS institutions informs the financial aid officer that (s)he will be contacted once validation has been completed, at which time the Form 304 may be processed. The letter to institutions who refer PAV cases explains that validation will be continued by the validation office and instructs the school to withhold further

Basic Grant payments until they receive further notice. The letter to institutions who refer IRSE cases informs the school that validation will be initiated and also instructs the school to withhold any further payments until receiving further notice.

The date this letter is mailed will always be the same as the date the student's initial letter is mailed. Similarly, it will be entered on the student's Case Report form and coded for entry into the BATS system.

3.3: Follow-up Cycle

All cases in which validation has been initiated by the validation contractor will be placed on a follow-up cycle to monitor the rate at which students respond to the procedural letters sent to them. There are three basic types of follow-up letters. They are as follows:

- first follow-up to a non-respondent;
- second follow-up to a non-respondent;
- follow-up to a respondent who received a letter requesting additional information.

Follow-up letters are sent if a student has failed to respond to a letter previously sent from the validation office. Letters are always mailed at least 30 days following the mailing of a prior letter. A brief discussion of the various follow-up letters is given in the following subsections.

3.3.1: First Follow-up

The first follow-up letter to students is a form letter which reminds the students that until a response is received, no further Basic Grant payments will be made (if any payments were made) until validation has been completed. The student is to refer to the previous letter for the exact steps that must be taken in order to complete the validation. There are different versions of this letter for the various types of cases as shown in Appendix B.

For ADS cases, there are two versions of the first follow-up. One version is sent to those applicants who received an initial letter from the validation office (see Student Letter #2A in Appendix B). The second version is sent to students who were given validation materials by the financial aid officer, and were instructed to send them to our office but failed to send the documents within 30 days from the school's call (see Student Letter #2B, Appendix B).

The first follow-up letters sent to other types of referrals (PAV, IRSE and ORSE cases) simply remind the student of the previous letter sent from the validation office and requests the student to provide the documents originally requested. There is one version of this letter for PAV cases (Student Letter #2C), one version for IRSE cases (Student Letter #2D), and one version for ORSE cases (Student Letter #2E). These letters are exhibited in Appendix B.

3.3.2: Second Follow-up

If a student has failed to send in a written response after thirty days from the mailing of the first follow-up letter, a second follow-up letter is sent. This letter represents the third contact from the validation office (except in ADS cases where the FAO supplied the student with the validation materials). There are four versions of the follow-up letter used for the various cases undergoing validation. One letter (Student Letter #3A) is for ADS cases in which two previous letters have been sent by the validation contractor. There is another second follow-up letter for ADS cases in which the student was given validation materials by the FAO, but failed to respond to that instruction plus the first follow-up letter sent by the Validation Contractor (Student Letter #3B). The third version (Student Letter #3C) is for PAV and IRSE cases. The fourth version (Student Letter #3D) is used for ORSE cases. These letters are exhibited in Appendix B.

The second follow-up letters remind the student that on two previous occasions (except for some ADS cases) (s)he has been contacted regarding validation of the SER. The letter also informs the student that continued failure to provide the requested documents

will prevent the student from receiving the Basic Grant. In the event that the student still has not provided a written response thirty days after the mailing of the second follow-up letter, the case is considered inactive. Section 3.5 in this chapter explains the procedures taken when a case is considered inactive.

The mailing date of the second follow-up letter is recorded in the student's case file and also entered into the BATS system for monitoring.

3.3.3: Follow-up to An Additional Request

One other follow-up letter that is mailed to non-respondents is the follow-up letter mailed to students who provided some of the documents requested, received another letter explaining the additional documents needed (see Section 3.4 of this chapter), and failed to respond to this additional request. There are two versions of this letter for the cases that will be processed. One letter is used in ADS cases (Student Letter #4A) and one letter is used for PAV, IRSE and ORSE cases (Student Letter #4B). Both versions of this letter are shown in Appendix B.

This follow-up letter reminds the student of the previous letter sent from the validation office which explained in detail the remaining steps necessary to complete the validation. The student is also urged to respond as soon as possible since failure to complete the validation will result in withholding further Basic Grant payments. In the event that a student fails to respond to this follow-up letter within the thirty day time period, a review of the case file will be made to determine if the student has received the maximum number of letters before the case is considered inactive. The procedures for making this determination are explained in Section 3.5 of this chapter.

The mailing date of this follow-up letter is recorded in the student's case file and also entered into the BATS system for purposes of recording the case history and monitoring the status of the case.

3.4: Response Cycle

Any time that a written response is received from an applicant contacted by the validation office, the response will be reviewed to determine whether the requirements set forth in the previous letter have been met. Immediately upon receipt of a response, the date of receipt and student identifiers (SSN and first two digits of the last name) will be entered into the BATS system to discontinue the follow-up cycle. Then, the response will be processed assessing whether all documents have been provided and by comparing the documents provided with the SER to determine if any corrections are necessary.

In the event that further action is needed to resolve the case, an additional request letter will be prepared. This letter usually consists of a form letter which acknowledges the receipt of the student's response and indicates that further documentation or corrections to the Student Eligibility Report are needed. The letter requests that the student send his/her response within thirty days. An attachment is enclosed with this letter which specifies the exact documents or information that the student must send in order to complete the validation. Student Letters #5A through #5F exhibit the form letter and various attachments which are sent to students when they have provided an incomplete response. The mailing date of this letter is recorded in the BATS system for purposes of record-keeping and monitoring the timeliness of the responses to the letter.

As long as students attempt to comply by responding to this additional request letter, the responses will be processed. However, in the event that a student has received the maximum number of instruction letters but fails to provide the complete response within thirty days from the mailing date of the last request letter, the contractor will discontinue validation and consider the case inactive. The following section discusses the procedures for designating a case inactive.

3.5: Inactive Status

A case will be placed in inactive status after reasonable attempts have been made by the validation contractor to assist the student in

completing validation of his or her Student Eligibility Report. The following criteria for placing cases in this inactive status will be used:

- Student was sent the initial instruction letter, and two follow-up letters (first and second follow-ups) but failed to respond to all of these letters within the thirty-day time limit.
- Student was sent the initial instruction letter and two additional instruction letters and failed to respond to the last letter within the thirty day time limit.
- Student was sent a total of four procedural letters, i.e., the initial instruction letter and three additional letters (both follow-ups and additional instruction letters)
- Student was not located (letters were returned to sender) after 3 attempts were made to locate the student.

Students will be informed that the validation office has discontinued the review of the Student Eligibility Report and will not assist the student in validating that SER any further unless a response is received.

As a general rule, students who meet one of these criteria are informed that the validation office will discontinue assisting them in complying with the validation by means of a letter (Student Letter #6, Appendix B). The letter informs the student that no further actions will be taken unless a written response to the letter previously mailed is received. At the same time that this letter is prepared for the student, a letter is also prepared to be sent to the Financial Aid Officer who referred the case. The letter instructs the Financial Aid Officer to continue withholding payments of the Basic Grant to the student in question (Institution Letter #3A, Appendix A). For cases in which the student was referred by OE or one of its contractors, a different version of this letter is sent (Letter #3B, Appendix A), since this constitutes the first contact with the Financial Aid Officer for this type of case.

In cases where the letters sent to students are returned to the validation office because the letter did not reach the addressee, this "inactive status" letter will not be sent. Instead a specific series of procedures for returned-to-senders will be taken.

Returned-to-Senders

First, the student's address will be checked with the address on the case file to assure that no error was made in preparing the letter for mailing. If it is found that an error was made, the letter will be re-sent and the student's follow-up cycle will be modified to reflect the new mailing date.

However, if the address on the letter matches the address in the student's file, a call will be placed to the referring institution to determine whether the institution has any other address listed for the student. If so, the letter will be remailed to the new address. If not, the letter will be remailed to the existing address one more time, to assure that adequate attempts have been made to contact the student. If the letter returns again, no further attempts at validation will be made. It will be presumed that these students have not received their mail for one of the following reasons:

- student has dropped out of school and did not inform the Financial Aid Officer
- student is refusing to pick up mail (from Post Office Box) and therefore comply with the validation

The Validation Office will send a letter to the Financial Aid Officer informing him/her that all attempts to contact the student were unsuccessful and that for this reason the validation was not completed (Institution Letter #4, Appendix A). The letter will instruct the Financial Aid Officer to contact our office in the event that the student contacts him/her concerning the Basic Grant.

The mailing date of the letter to the school and the resolution status of the case will be recorded in the student's case file, as well as entered into the BATS system.

3.6: Case Resolution

Resolution of a case refers to the cessation of validation activities either because the student has completed all activities required or because the contractor has taken all established procedures to validate and can proceed no further.

There are six ways in which a case may be resolved. They are as follows:

- student provides documents which verify all the data originally reported on the SER (SER data verified)
- student makes changes to SER data (SER corrected)
- student indicates he or she does not wish to use the Basic Grant
- student files a Supplemental
- institution resolves the case
- extenuating circumstances prevent student from validating SER thus OE allows student to apply without further validation

A brief discussion of the procedures taken for each manner of case resolution is given in the sections which follow.

3.6.1: SER Data Verified

In instances where students provide all documents requested and a review of these documents reveals that there are no errors on the SER, the case will be considered resolved by verification of the SER data. In these cases the student is sent a letter acknowledging the receipt of verifying documents and he/she is informed that payments of the Basic Grant award may now be made. There are two versions of this letter; one for ADS cases and one for all other cases (Student Letters #7A and #7B, respectively). In addition, RDS institutions are sent a letter informing the Financial Aid Officer that the validation has been completed and the student may now be paid based upon the original SER. There are also two versions of this letter; one for ADS schools and one for RDS schools (Institution Letters #5A and #5B, respectively). Once the letters have been mailed, the case folder is designated as a "Closed Case" and the BATS system is updated to reflect the case status.

Whereas the letter to RDS institutions instructs the Financial Aid Officer to pay the student, the letter to ADS institutions informs the FAO that (s)he may process the Form 304. The FAO is responsible for entering school data regarding the costs of attendance and the student's enrollment status. In addition, the student must also complete a portion of this form and then submit it to the ADS unit located at the BEOG processing agency. The Validation Contractor will notify the ADS unit of all cases where validation has confirmed SER data originally entered so that upon receipt of the Form 304, payment may be disbursed routinely.

3.6.2: SER Corrected

In all cases where a student supplies the required documents and has also made corrections to the information originally entered on the SER, the corrected SER is closely reviewed to determine if the corrections have been made properly, i.e., they reflect the data on the documents provided (within the tolerance ranges) and that the certification statement on the reverse side of the SER has been signed by all designated persons. After these requirements have been met, the contractor forwards the corrected SER to the BEOG Processor in Iowa City for reprocessing and recalculation of the eligibility index. At the same time, a letter is prepared for mailing to the student informing him/her that the validation has been completed satisfactorily and to expect a new SER in the near future (Student Letters #8A and #8B, respectively). There are two versions of this letter, one for ADS cases and one for all other cases. The student is instructed to take the new SER to the Financial Aid Officer for payment of the Basic Grant award.

In addition to contacting the student, the validation office will send a letter to the Financial Aid Officer who originally referred the case to inform him/her of the outcome of the case. There are three versions of this letter; one version is addressed to ADS schools (Institution Letter #6A), one is sent to RDS schools who

referred cases (Institution Letter #6B), and one is sent to institutions which have been identified during the validation of a case referred by OE (Institution Letter #6C). Appendix A shows the three versions of this letter. To assure that the school is aware of the validated data, a photocopy of the unprocessed corrected SER will also be forwarded to the school with this letter. This copy will allow the Financial Aid Officer to compare the new reprocessed SER presented by the student with the validated copy prior to disbursement of funds. Should the Financial Aid Officer notice a discrepancy between the reprocessed copy presented by the student and the unprocessed copy sent by the validation office, the school will be instructed to call the validation office for verification of the amount to be entered on the SER. If the school has documentation on file which was obtained in reference to the particular item in question, the Financial Aid Office should review that document to determine which amount is correct.

After both letters have been mailed to the student and the referring institution, the case file will be updated appropriately to reflect these actions and the case will be closed. The BATS system will also be updated to reflect the mailing dates of the letters and this closure status.

The letter sent to RDS schools instructs the school as to the procedures for disbursing payments of the Basic Grant to the student. The letter sent to ADS institutions informs the school that the corrected SER will be re-processed, and that upon receipt of the new SER, the Form 304 may be prepared and submitted for payment. In order to alert the ADS unit of the status of SERs for ADS validation cases, the validation contractor will forward the original face sheet copy of the corrected SER to the ADS unit, so that the appropriate verification checks can be made when the Form 304 is received.

3.6.3: Student Chooses to Discontinue Validation

In the event that a student informs the validation office that (s)he does not wish to continue the validation, this will be

considered a case resolution. The student will be sent a letter acknowledging the decision. This letter will inform him/her that by choosing to discontinue validation, the Basic Grant will be forfeited (Student Letter #9, Appendix B). In addition, a letter will be sent to the referring institution informing them of the student's decision and instructing the Financial Aid Officer to make no payments of the Basic Grant (Institution Letter #7, Appendix A). The letter will also specify that if any payments had been made to the student, they must now be recovered.

At the time these letters are mailed, the case file and the BATS system will be updated to reflect the mailing dates and the resolution status. In the event that the student should decide, at a later date, that (s)he wishes to comply with the validation and receive payment, the case would be re-opened and continued from this point in the validation cycle.

3.6.4: Student Files a Supplemental Form

In cases where a student files a Supplemental form on his own while validation activities are being conducted or during the course of validation, the contractor discovers the student is eligible to file a Supplemental, this action would preclude the necessity of validating the SER, and thus the case would be resolved. In cases where the validation office has determined that the student is eligible to file a Supplemental, a letter will be sent to the student informing him/her of this fact and will give brief instructions on how to file the Supplemental (Student Letter #10, Appendix B). A Supplemental Form will be enclosed with the letter. In addition, a letter will be mailed to the referring institution announcing that the student has filed or will file a Supplemental and that for this reason, validation is being terminated (Institution Letter #8, Appendix A).

The mailing dates of these letters and the resolution status will be recorded on the Case Report Form and entered in the BATS system.

3.6.5: Institution Resolves Case

In some instances, a school may resolve a case after it has been referred to the validation office for follow-up and the contractor has begun validation activities. In the event of this occurrence, the validation contractor would stop the processing cycle and consider the case as being resolved by the institution. A letter would then be mailed to the school acknowledging our understanding that the case has already been resolved (Institution Letter #9, Appendix A). In addition, if any letters had been mailed from our office to the student in question requesting that documents be provided, a final letter would be sent to the student informing him/her to disregard any previous letters, since it has been determined that validation was completed at the institution (Student Letter #11, Appendix B).

The mailing dates of these letters and resolve status would be recorded in the student's file, as well as in the BATS file.

3.6.6: Unusual Circumstances Prevent Student from Completing Validation

In some cases, a student may provide substantial evidence that (s)he cannot comply with the validation requests. Examples of circumstances which would fall into this category are as follows:

- Applicant received income in 1976 but was incarcerated at the time of receipt of the validation request and could not obtain documents
- Death of the last remaining parent prevents the student from obtaining or locating the documents requested
- Death of a student
- Legal impediments prevent obtaining documents, e.g., parents are divorced and the student cannot obtain appropriate information

Under these and other unusual circumstances approved by OE as acceptable reasons for discontinuing validation by the Office of Education, the case will be resolved due to unusual circumstances. The student will be sent a letter acknowledging the problem and

informing him or her that further validation is not required (Student Letter #12, Appendix B). In the event that no changes were necessary on the flagged SER, the student will be instructed to take the original SER to the institution. However, if some corrections were made on the report, the student will be instructed to take the new reprocessed SER to the school for payment.

At the same time the student's letter is being prepared, a letter will be sent to the institution informing the Financial Aid Office of the decision to discontinue validation due to extenuating circumstances and that the student is eligible to receive the Basic Grant. If no corrections were necessary Institution Letter #10 will be sent (see Appendix A). However, if some corrections were made prior to the decision to waiver validation, Institution Letter #6 will be sent.

The mailing dates of these letters and the closure status will be entered into the student's file and into the BATS file.

3.7: Communications After Placement in Inactive Status or After Case Resolution

Any time that a written communication is received from a student after validation has been discontinued, the correspondence will be reviewed to determine the nature of the letter. The letter will be handled in a specific manner according to the status of the case at the time the letter is received. The following subsections describe the procedures for handling these types of communication.

3.7.1: Student Chooses to Reactivate Validation

If a student decides to continue validation after earlier attempts by the validation contractor were unsuccessful (see Section 3.3), or after voluntarily choosing to discontinue validation, this decision will be acknowledged and the validation contractor will reactivate validation at the point where it had previously stopped. In most cases, this will involve preparing the form letter accompanied by the appropriate attachment specifying the exact information needed to resolve the case (see Section 3.4). This letter will be

prepared, mailed and recorded into the case file and BATS system as a reactivation of validation. In addition, the Financial Aid Officer at the school the student attends will be notified that validation has resumed (see Institution Letter #3). The date this letter is mailed will also be entered on the Case Report Form and in the BATS system.

3.7.2: Student Requests that Documents be Returned

If a student (or parent of a student) requests that documents they forwarded to the validation office be returned, this request will be honored. All documents to be returned will be photocopied so that a record of the document will always remain in the student's file. The original document will then be returned along with a letter (Student Letter #13, Appendix B).

3.7.3: Student Does Not Agree With Corrections Made on Student Eligibility Report

Since the validation contractor will be making corrections on SERs when documentation has been provided, there will be occasions when a student may not agree with the correction and may request that his/her case be re-reviewed. Thus, if a request of this nature is made by a student, the validation contractor will review the case to determine if any errors were made. In the event that no errors were made, the student will be notified of this fact via Student Letter #14A, shown in Appendix B). However, if an error is uncovered, the validation office will correct the error and re-submit the SER. The student will be notified of this by means of Student Letter #14B, shown in Appendix B. In addition, the institution will be notified to expect another corrected SER.

4

TELEPHONE PROCEDURES

The toll-free telephone service implemented by the contractor will provide a formal system for answering the questions of students and parents participating in the Pre-Award Validation, the Alternate Disbursement Systems validation, validation of suspected discrepancies referred by institutions and the Office of Education and the Overpayment Recovery effort. A main function of the telephone service will also be to assist Financial Aid Officers in their attempt to validate selected Student Eligibility Reports and provide a way to refer unresolved cases in validation and collections. This chapter presents a description of the telephone service and the procedures that will be implemented in handling all calls received as well as recording each call.

4.1: Scope of the Telephone Service

Four toll-free telephone lines will be available for students and Financial Aid Officers to use during the hours of 8:30 a.m. to 5:00 p.m. [redacted]rd Time. These lines are rotored on four extensio[redacted]hat if the first line is busy at the time a call i[redacted]ine automatically switches to the second, third or [redacted]ichever is free. This rotary system allows the greate[redacted] telephone calls to be connected and gives each caller the maximum availability to the information service. In addition, there is one telephone line provided for local callers and

individuals calling from outside the continental United States. The telephone [redacted] provided for the service are:

[redacted] - (800) 638-2052
[redacted] - (301) 585-4150

To assure that the lines are not utilized unnecessarily for purposes other than answering questions regarding validation or recovery of overpayments, the telephone number will be published to all participating institutions and only to those students contacted for the purpose of validation or collection of funds. Financial Aid Officers will be informed of the toll-free number via the BSFA Bulletin published monthly by the DHEW Office of Education, which will specify the procedures schools should follow when reporting cases using the telephone service. Students undergoing validation will be informed of the toll-free number via the procedural letters mailed from the Validation Office and may also be informed by the Financial Aid Officer.

4.2: Telephone Call Answering And Identification Procedures

The BEOG service lines are connected directly to the processing area and calls are answered by BEOG staff members trained in telephone procedures. All calls are answered, "Basic Grants, may I help you?" Staff answering the telephones are responsibile for answering or obtaining an answer to all questions which relate to the 1978-79 validation of selected SERs, and any on-going validation or overpayment recovery cases. There are two basic questions which must be immediately answered before the phone staff can be responsive to the ca[redacted]re:

- [redacted]ller?
- [redacted] purpose of the call?

Identifying [redacted] caller is, i.e., a student or parent, an institutional official, or a third party such as a lawyer or Congressional official, can be accomplished quickly. However, determining the nature or reason for the call requires that the phone operator categorize the call into one of the following groups:

- Call for the purpose of asking a question concerning [redacted] procedures in general
- [redacted] the purpose of referring a case for validation
- [redacted] reference to a particular case undergoing [redacted] at contractor's office
- Call solicited by validation contractor
- Call not related to validation

A brief description of the procedures for handling each type of call is given in the following section.

4.3: Handling Telephone Calls

Each incoming telephone call is handled in a similar manner, i.e., the phone operator carefully listens to the caller's explanation as to the reason for calling and attempts to assist the caller, if the call is in reference to validation. To obtain answers to questions asked by callers, phone staff will use a variety of resources including the following:

- Basic Grant Application Forms
- Basic Grant Handbook
- Validation Handbook
- Validation Form
- Student Financial Aid Handbook
- BSFA Bulletins
- All other policy statements provided by OE
- Microfiche
- Case files
- [redacted] control printouts

Non-valid[redacted] however, are simply referred to the appropriate office on[redacted] been identified as such.

4.3.1: Non-[redacted]tion Calls

Questions which involve general application procedures are referred to the Student Information Center where questions concerning general Basic Grant policy and operations are handled. Likewise,

questions regarding procedures which Financial Aid Officers must follow in [redacted]ing regular activities, i.e., reporting processes, fiscal o[redacted] factors affecting the calculation of award, etc. are refer[redacted] Division of Certification and Program Review.

If a s[redacted] is experiencing unusual difficulty in the processing of the their BEOG application, they would be instructed to call the Basic Grant Processing Center or write that office to request that the status of the application be checked.

4.3.2: Calls from FAO Regarding Validation Procedures

Any time that a Financial Aid Officer calls to request information or clarification regarding how to validate a Student Eligibility Report, the phone operator will provide an appropriate answer, if the question can be readily answered. The school will be referred to the appropriate reference source if the answer to the question is explained in any one of the Basic Grant publications forwarded to institutions. If the call cannot be answered by the phone operator after all resources have been checked, the nature of the question will be recorded, the name and phone number of the caller will be obtained and the phone operator will inform the Financial Aid Officer that (s)he will be called back within the next few days or as soon as the answer is obtained. The caller is also asked to indicate the best possible time to receive a return call. This strengthens the possibility of the staff reaching the caller on the first attempt, making it possible to return a call within three working days. This procedure also frees the toll-free lines for other calle[redacted] the callers are not placed in a position where they must [redacted] excessively. This procedure also assures that the[redacted]s complete and accurate answers to particularly difficul[redacted]

4.3.3: Call[redacted] FAOs Referring a Case to the Validation Office for Further Follow-up

In all instances where a Financial Aid Officer calls for the specific purpose of referring a case for further follow-up, the phone monitor will ask the school to specify the type of referral;

i.e., whether it is a flagged SER which the school attempted to validate, but could not resolve, a flagged SER which an ADS school is simply [redacted]; or a referral of a case where a discrepancy is suspected. [redacted] referrals, except those from ADS institutions, the phone operator will also ask the Financial Aid Officer to explain the reason(s) why the case is being referred. This will be done to determine if, in fact, all means for validating the case at the institution have been exhausted. If the phone operator determines that the school may be able to resolve the case without referring it to the Validation Office, (s)he will explain the procedure which the school can take to resolve it. If it is apparent that the school can take no further measures to resolve the case, the referral will be taken in the manner explained in Chapter 2, Section 2.2.1.

4.3.4.: Calls from Students Regarding Validation Procedures - Validation Being Conducted by Institution Only

These calls will be handled similarly to the calls from institutions described in Section 4.3.2. Specifically, the student's question will be answered if the problem has occurred frequently and a precedent for handling it has already been established. These students will be encouraged to contact their Financial Aid Officers in responding to the instructions given over the phone. If a special problem or question is asked by the student for which no answer can be ascertained, the phone operator will tell the student that further review is necessary and the student will be instructed to call our office back in a few days or will be told that (s)he will be called back with an answer.

4.3.5: [redacted] to a Case Undergoing Validation at the Contracte[redacted]

When [redacted] institution calls with a question relating to an indivi[redacted] staff first attempts to verify that the call is being legit[redacted]tely placed. The Federal Privacy Act requires that specific procedures should be followed by any government agency or contractor to an agency to protect the privacy of individuals. Thus, the staff member requests, in addition to the name of the person whose file is in question, two other pieces of identifying information, namely the Social Security number and date of birth. When a

parent or [redacted] calls in reference to a student they are asked to give the [redacted] name, Social Security number and date of birth as well as [redacted] birth date. If they are not able to give the student [redacted], the Phone Operator explains that they must be provided a[redacted] to the Privacy Act and the call is terminated. This enables the staff to exercise a high degree of certainty that the call is legitimate.

After identifiers have been recorded, the phone operator verifies the identifying information given either by reviewing the file or the appropriate internal records and proceeds to answer the question. For any calls regarding a specific case the individual's file is updated as well as the BATS system.

If any call requires further follow-up by the BEOG staff, or if the caller requires a lengthy explanation, the name and telephone number of the caller is taken and the staff member explains that the student or FAO will be called back.

In some instances, the Validation Office may send a student a letter requesting that (s)he call our office to discuss information previously sent in by the student that is unclear. When this type of call is received, the phone operator (or the staff member who reviewed the written response and decided to send the "call-us" letter) will review the case file and ask the student the question(s) which arose from the information previously supplied by the student.

In the event that students question the reason why they are being asked [redacted] documents to support information reported on their [redacted] student will be informed of the reason. For cas[redacted]hools which suspect an error is reported, the st[redacted]nformed that the school (s)he is attending referred [redacted]ion to our office because an apparent discrepancy was [redacted] on the application.

For the Pre-Award Validation Study, students are told that their applications have been randomly selected for verification by the Basic Grant Program and that they were referred to this office because the Financial Aid Officer at their institution was unable to

complete the validation of specific data entered on their application for a Basic Grant. For the applicants referred by schools participating in the Alternate Disbursement System, students are only told that their applications have been randomly selected for verification by the Basic Grant Program. Applicants referred by OE and BEOG contractors are simply told that their applications are being reviewed. Students calling in reference to a letter from this office indicating a BEOG overpayment has been made are told that the Financial Aid Officer at their school has reported an overpayment and that a repayment schedule must be selected and the overpayment must be repaid. Callers are not told that the staff with whom they are speaking are not government employees. If a question must be referred to OE, the staff may only say that they will check with the Central Validation Office.

During and immediately after a telephone call, the phone operator carefully records specific information necessary for monitoring calls and keeping case histories of students undergoing validation. Proper recording of each call is an integral part of the entire validation process. The following section describes the general procedures that will be implemented to record calls.

4.4: Recording Telephone Calls

The reporting and maintenance of accurate records concerning each telephone call is accomplished by the use of telephone transaction forms. The telephone transaction forms will serve the following multiple purposes:

1. [redacted] calls made or received by the validation con-

2. [redacted] specific calls for inclusion in the in- case file and to meet Federal Privacy Act

3. [redacted] types of calls received and specific questions or problems financial aid officers encounter in validating selected SERs.

4. To serve as an input form for entering data into the BATS system.

5. [redacted] a record for budget control.

The types of [redacted]ation included in the Incoming and Outgoing telephone transa[redacted] forms are described below.

- Destination
- Date
- Name of person contacted (this may not be necessary if the call is not case specific, for example, FAO calls about validation policy and procedure
- Length of call
- Student Identifiers
  - .. ACT/AMS ID Code (Social Security number and first two letters of last name)
  - .. Date of Birth
- Institution Identifier
  - .. OE Vendor Code
- Subject of Inquiry (coded by type)
- Telephone number of person, if needed for follow-up and for budget control
- Specific questions/remarks

Since the telephone transaction and referral forms serve a multiple purpose, a tight control is exercised in their flow. This will be accomplished by batching the forms each day according to the subject of inquiry, i.e., case specific, referral, or validation information/clarification. A further breakdown in batching is done for any inquiry that requires additional follow-up. Each batch is counted to ascert[redacted] of forms in each batch, labeled with a first priority [redacted]sage for those needing additional follow-up and is h[redacted]to the Data Processing Area.

Upon [redacted] data processing, those transactions requiring additional follow-up are distributed to staff for immediate follow-up using the procedures described in this chapter. Those transaction forms that do not require any additional follow-up are handled as shown in the chart which follows.

Type of Transaction Form	File	Use
Form for r[redacted] call relati[redacted]ic case u[redacted]lida-tion	Individual Student's Case Folder	Serves as a record of any questions asked by FAO or student undergoing validation
Form for r[redacted] Referral	Referral File	Stays in this file until the matching documents (SER, any documentation obtained by FAO) arrive
Form for Recording General Questions/Clarification	Question File	Reviewed periodically by telephone supervisor to monitor the recurring problems FAOs and students may be having, and used in reporting these problems to OE
Form for recording calls not related to validation	After entry into BATS system, manual records are discarded	Not applicable

[redacted]

5

OVERPAYMENT RECOVERY

5.1: Introduction

The effort to recover Basic Grant overpayments began during the 1976-77 contract year. Standard procedures and form letters for contacting students and Financial Aid Officers were developed, reviewed, and finalized. On February 28, 1977, the first letters informing students of their responsibility for repaying the overawards were mailed. Since that date, more than 3,000 overpayment recipients have been contacted by the overpayment recovery contractor. Collection action was initiated in 762 cases during the 1976-77 year and initiated or continued in 2,734[1/] cases during the 1977-78 year. At the end of the 1977-78 contract year, $72,741.70 had been collected from the 2,734 overpayment recipients. Only 12 percent of the overpayment recipients contacted during the 1977-78 contract had repaid their debts in full by June 30, 1978.

Given that the rate of repayment is low, the procedures and the letters which will be used for the 1978-79 effort have been revised in an attempt to increase the recovery rate. The modifications are discussed briefly below:

- Language in the letters has been strengthened.
- Cases will not be considered to be resolved until:
  - -- full repayment is made to OE or the institution at which the overpayment occurred;
  - -- determination is made that the overpayment recipient does not owe a repayment;

[redacted]

1/ Of these 2,734 cases, 468 were continued from the [redacted] effort.

-- the overpayment recipient is declared bankrupt.

- A quarterly follow-up letter will be mailed to each overpayment recipient who fails to pay in full.

Lengthier discussion of each of these changes appears in the body of this chapter. The revised letters are presented in Appendices C and D.

Detailed records of processing activity [redacted] in the individual case files (see Section 5.2 be[redacted] EOG Automated Tracking System (BATS). Every tran[redacted] to resolve a case is coded for entry into the system. [redacted] include the following information:

- student identifiers
- transaction type
- transaction date
- dollar amount (for payment activity only)

Both incoming and outgoing communications with the overpayment recipients, Financial Aid Officers and third parties are recorded on the system.

The procedures which will be followed during the 1978-79 effort are described in the remainder of this chapter. Figure 5.1 presents the overpayment recovery procedural flow. Steps in the process are addressed in the following sequence:

- Referrals
- Initial contact with overpayment recipient
- Responses
- Follow-up cycle
- Payments
- Resolution

Section 5.8 discusses an optional procedural modification for consideration by the Office of Education.

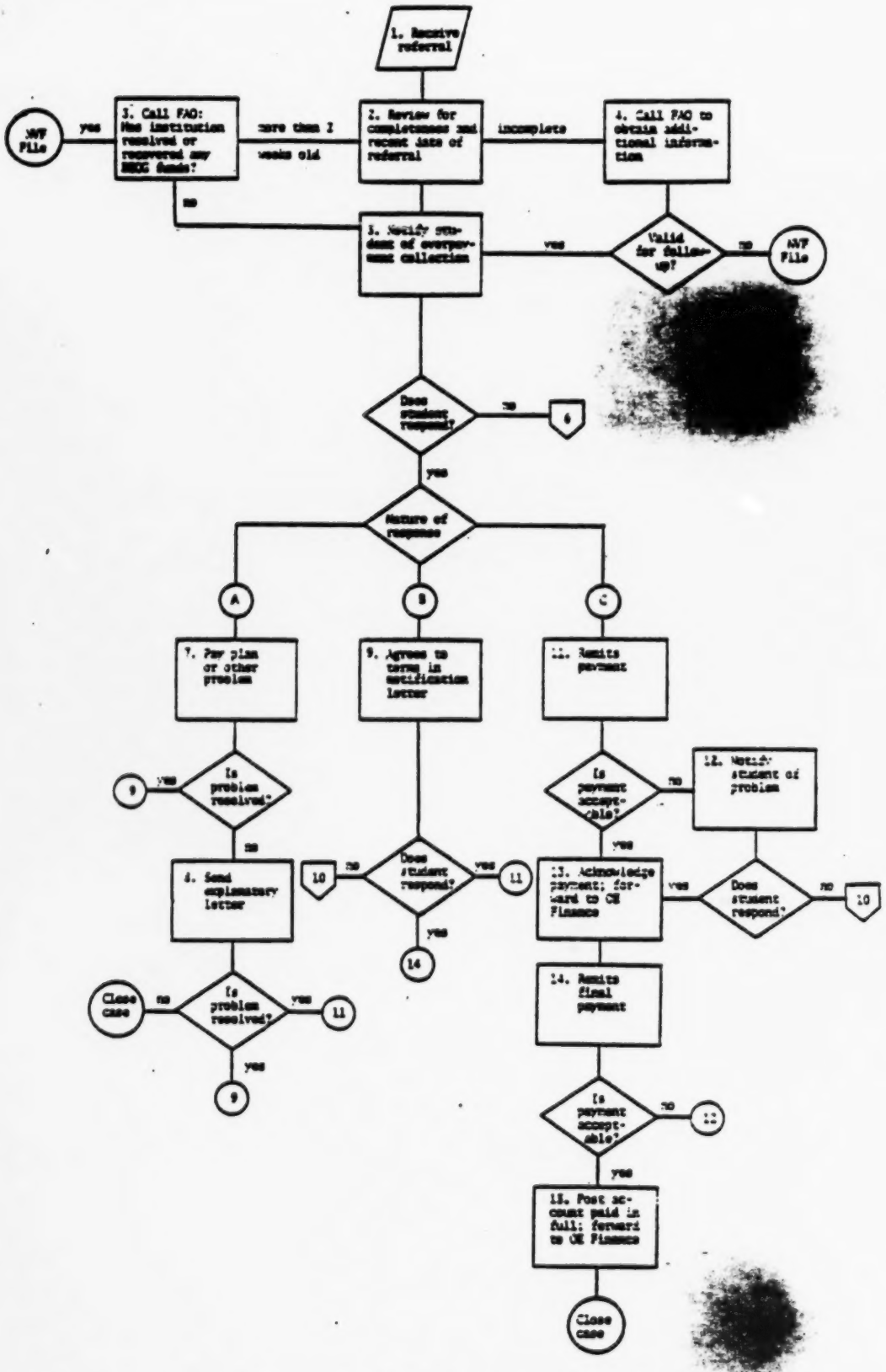


FIGURE 5.1: OVERPAYMENT RECOVERY PROCEDURAL FLOW

5.3

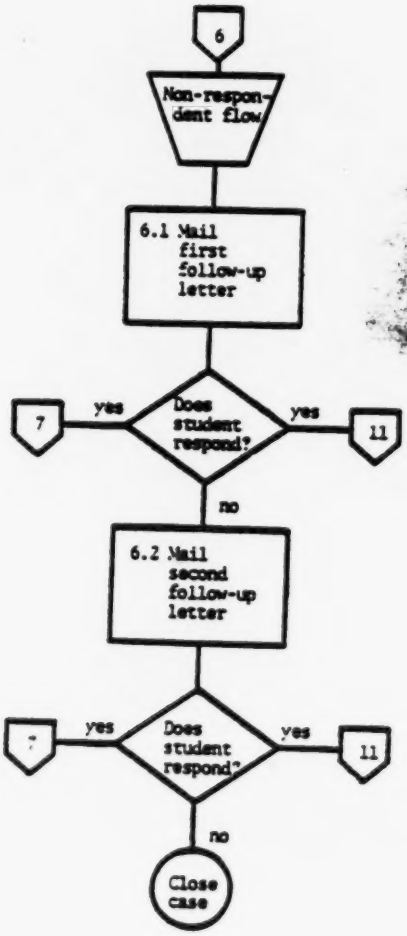


FIGURE 5.1: (Continued)

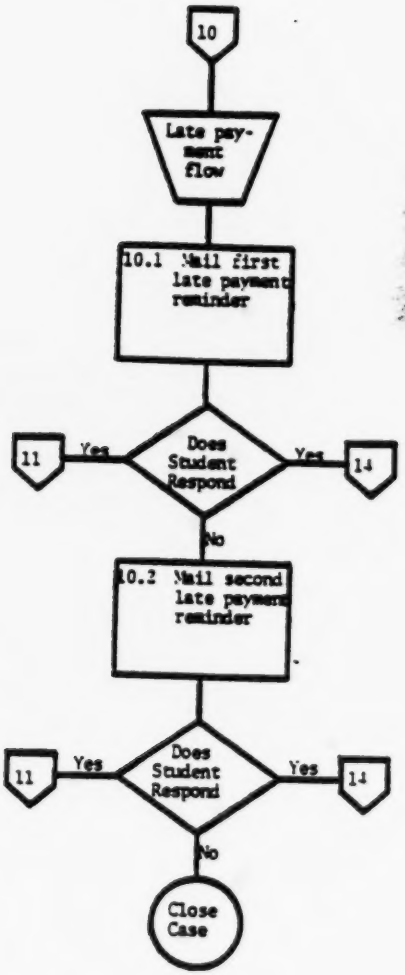


FIGURE 5.1: (Continued)

5.2: Referrals

Referrals will be forwarded to the overpayment recovery contractor via letter and via telephone. Each referral will be coded for entry into the BATS system. Entries will include:

- student identifiers
- institution identifiers
- overpayment information
- indication of completeness or incomplete

In the event that a referral is incomplete or contains insufficient information for a determination of validity for follow-up, a standard letter requesting information will be sent to the Financial Aid Officer. The second page of this letter is a checklist containing a complete list of referral information. Only those items which are needed to complete or clarify the referral will be requested (see Appendix C.1). When the requested data has been received, it will be coded and the case will be routed to the next step, contacting the overpayment recipient. Cases are considered open when complete referral information is received, coded and entered on the BATS system.

Case files are set up upon receipt of the referral. Each case file contains a case report form, one copy of the referral, and any other pertinent documents. If a validation case is resolved and subsequently referred for collection action, the validation case file is appended to the overpayment recovery file. Copies of incoming correspondence and outgoing special letters are placed in the case file also.

5.3: Initial Contact with Overpayment Recipient

A letter notifying each overpayment recipient of the initiation of collection action is sent via certified mail. The letter informs the overpayment recipient of the amount owed, and the school year in which the overpayment occurred. It also instructs the student to select one of three suggested repayment schedules and inform the Office of Education of his/her choice or of any which

may make it difficult for them to repay. A copy of this letter is shown as Appendix D.1. Two copies of this letter are placed in the case file; a third copy is forwarded to OE Finance.

At the same time the student is notified of the overpayment collection action, a letter advising the Financial Aid Officer at the institution where the overpayment occurred to withhold all Federally funded financial assistance for which [redacted] is eligible until full repayment of the BEOG debt is [redacted] of this letter is included in Appendix C.2.

Overpayment recipients are instructed to [redacted] notification of collection action within two weeks. Responses are discussed in Section 5.4 below.

5.4: Responses

Incoming mail is sorted according into the following categories:

- referrals
- responses from overpayment recipients
- return-to-sender mail

The remainder of this section describes the manner in which responses from overpayment recipients and mail returned to the sender are processed.

Responses from the overpayment recipients are sorted into three groups: payment plan selections; inquiries and problems; and payments. (Payment processing is discussed in Section 5.6.) Whenever a student notifies this office by telephone or letter of his/her selection of a repayment plan, a billing notification is mailed to the student. This letter states the number and dollar amount of the payments, the day of the month on which payments are due, and the date the first payment is due. The student's hard copy file and BATS file are also updated to reflect the changes in status from non-paying to paying. No further action is taken until a payment is received or the payment is past due. A sample bi[redacted] notification is included in Appendix D.2.

A somewhat different process is utilized for mail which is returned by the postal service due to bad addresses and unclaimed and refused mail. Whenever a letter is returned because the address is bad, it is remailed if a corrected address or a permanent address is available for the overpayment recipient. Unclaimed and refused mail, primarily a problem only with the certified initial letter which notifies the student of the overpayment, is r[redacted] uncertified.

Overpayment recipients may respond by lette[redacted] that they do not understand how their overpayments oc[redacted]at they cannot meet the terms of any of the suggested payment options described in the initial letter. Letters which respond to unique or unusual situations are tailored to address the individual circumstances. Such letters frequently include a discussion of a pertinent Basic Grant regulation or policy.

5.5: Follow-Up Cycle

The follow-up cycle for the 1978-79 effort has been enlarged in an attempt to increase the rate of repayment. Prior to this year, non-respondents, students whose accounts were past due, and students who had responded but had not agreed to repay their debts received a maximum of two follow-up letters before case processing was suspended. Once processing was suspended, no further action was taken unless the overpayment recipient contacted the overpayment recovery contractor.

During the 1978-79 effort, those cases in which the students have stopped paying or failed to set up a repayment plan will be considered inactive. Quarterly reminders will be mailed to each of these overpayment recipients. These reminders (see Appendices D.3 and D.4) advise the student that his/her account is still unresolved and that the student should forward payment to this office as soon as possible.

The quarterly follow-up cycle described above w[redacted]plement the routine follow-up activities which occur earlier[redacted]

processing cycle. Cases requiring follow-up fall into two categories: non-respondents/not-yet-in-paying and past-due payments.

Two attempts to obtain non-paying students' cooperation are made. The first follow-up letter is mailed to students who have not responded to the notification of overpayment letter within two weeks. Included with the first follow-up is a copy of the notification of overpayment letter. Overpayment recipients are agai[redacted]ucted to select a repayment plan or to contact the overp[redacted]overy staff if they cannot meet the terms of any of the [redacted]scribed in the notification letter. A similar but stronger [redacted]up letter is mailed to those students who do not respond within 10 days to the second follow-up, his/her case is placed on inactive status. Quarterly follow-ups will commence three months after the case becomes inactive.

Examples of the first and second follow-up letters are presented in Appendices D.5 and D.6, respectively.

Whenever a payment is 10 or more days overdue, late payment follow-up action is initiated. The late payment follow-up letter (see Appendix D.7) reminds the overpayment recipient that he/she selected a repayment schedule and that his/her account is past due. The letter also contains a statement that payment should be forwarded within seven days to the overpayment recovery staff or that the overpayment recipient should notify the overpayment recovery staff of any problem which makes it difficult for the individual to repay the debt. Only two such follow-ups are attempted before the case is considered inactive. Follow-up action does not cease when the past due case becomes inactive. These cases also enter the quarterly follow-up cycle. This letter used for overdue payments is shown in Appendix D.4.

5.6: Payments

Identifying the correct amount to which a payment should be credited is the first step in processing payments. To [redacted]ilitate this, the top portion of each billing notification an[redacted]nt receipt is to be detached from the body of the letter [redacted]returned

with the overpayment recipient's response and/or remittance. Information on the return portion includes name, address, account number, due date for the payment, and amount paid. Space for name and address corrections is provided on the reverse side of the return portion.

Once the proper account has been identified, the payment is reviewed for correctness of such items as:

- date
- party to whom the payment is payable
- signature

An additional review step is determining if the payment renders the account paid-in-full.

Students whose payments do not render their accounts paid-in-full are sent a payment receipt. This receipt (see Appendix D.8) states the prior balance, amount of the payment received, and current balance. It also notifies the student of the amount of and date when the next installment is due. When the final payment is received, a different set of steps is followed after the correct account has been identified. Instead of the standard combination receipt and billing notice, a brief letter which states that the overpayment recipient's account is paid-in-full is sent to the student. In addition, the Financial Aid Officer at the institution where the overpayment occurred is notified by letter that the student has fulfilled his/her obligation to repay the overaward. Examples of these letters are shown in Appendices D.9 and C.3, respectively.

Only a few checks have been returned because a student's bank account did not have sufficient funds to cover the payment. Such students are requested by letter to provide the Office of Education with a replacement payment in the form of a money order or a certified or cashier's check within one week. Accounting procedures in this situation include deducting the amount of the returned check from the paid portion of the overpayment recipient's account. A copy of a letter sent to students whose checking accounts contain insufficient funds is presented in Appendix D.10.

Problem payments are not credited until the problem is resolved. Unsigned checks are returned for signature; post-dated checks may be returned if the date on the payment is more than two weeks after the date on which the payment is received. Checks and money orders which are not payable to either the U.S. Office of Education or the Basic Grant Program are also returned for replacement. Contact with the overpayment recipient in these instances usually takes the form of a standardized letter. Copies of problem letters appear in Appendix D.11.

After the overpayment recipients' accounts are credited with payment information, the deposit is prepared for delivery to the Finance Division, USOE. Copies are made of all the remittances covered by the deposit. One copy is retained for a permanent record of the actual payments; another copy is forwarded to OE Finance with the deposit. A deposit ticket, OE Standard Form 215, is completed. The SF-215 entries include the total dollar amount of the deposit and a sequentially assigned deposit number. A packet containing the completed SF-215, the remittances covered by the deposit, and a photocopy of the payments in the deposit is prepared, sealed, and forwarded to OE Finance.

Data tapes describing overpayment recovery account activity will be prepared and delivered to OE Finance. Tape layouts (to be provided by OE Finance) for 1978-79 are not yet available, but it is anticipated that accounts receivable increases and decreases, billed and unbilled collections, and bad checks will be reflected in the system.

5.7: Closure

The concept of case closure has been altered by the addition of the quarterly follow-up cycle and by the transition to billing cases on a per-transaction basis. Each of these changes obviates the need to close a case before the end of the contract unless one of the following conditions is true:

- student has repaid in full
- case is determined not valid for follow-up

- student has been declared bankrupt
- referral was made in error
- an OE decision to cease collection action is made

Thus, the majority of the cases will not be closed until the end of the contract. Instead, cases which would have been closed for such reasons as non-response, cessation of payment, and failure to establish repayment schedules will be considered inactive. Coding of the inactive cases to reflect the reason for closure will occur until the final weeks of the contract. At that time cases will be closed for any one of the five reasons previously stated or one of the additional reasons described below:

- student cannot be located
- student does not establish repayment plan
- student agrees to repay but never makes any payments
- student stops paying before full amount is recovered

Whenever a student remits a payment which renders his/her account paid-in-full, a letter stating that the account has been closed is mailed to the student. At the same time, a letter authorizing the release of the hold placed on any Federally funded financial aid for which the overpayment recipient would have been eligible is mailed to the Financial Aid Officer at the institution where the overpayment occurred. The letter also states that the overpayment recipient has repaid the full amount of the overaward. Appendices D.9 and C.3, respectively, contain copies of these letters.

Not all closed cases require outgoing letters. Indeed, contact with the student and/or the Financial Aid Officer at this time usually occurs only if the full amount of the overpayment is recovered. Other situations which may entail contact with the overpayment recipient and/or the Financial Aid Officer include erroneous referrals, cases which are determined not valid for follow-up due to institutional error, and the like. Individually-tailored letters explaining the resolution of the case will be prepared and mailed to the appropriate parties.

APPENDIX D.11: PROBLEM PAYMENT LETTERS - Check Unrelated to BEOG

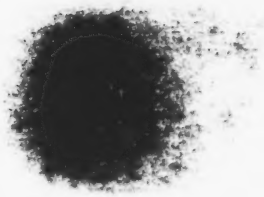
The Basic Grant Office of the U.S. Office of Education recently received a check from you. We are returning the check to you because it is unrelated to the Basic Grant Program. Please check your records and forward it to the correct recipient.

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

Enclosure

Upon closure, the case file is updated to reflect the reason for closure [redacted] other relevant details. Closed cases are removed from the a[redacted]esolved case files and placed in the closed files. No further a[redacted]is taken unless an inquiry from the overpayment recipient or the Financial Aid Officer is received.



5.13

6

FILE SYSTEMS

The filing systems planned for use in the validation and overpayment recovery activities are designed to serve not only as a usable means of storing all materials, but also to organize, along with the BATS system, all steps taken in processing cases and telephone calls. This chapter describes the various files that will be maintained during the validation and recovery of BEOG funds. Each component of the hardcopy filing system is discussed in a separate section.

6.1: Institution File

All correspondence received from institutions participating in the BEOG program will be stored in the Institution File. This file will incorporate communications relating to both validation and collection cases. The file will be arranged alphabetically by State. A file folder will be prepared for each institution that corresponds with the validation/collection contractor. These folders will be filed alphabetically within each State. The purpose for maintaining this file is to keep a hardcopy record of all referrals from institutions. Copies of each referral will be inserted in individual case folders prepared for each student who was referred for validation or collection of funds.

6.2: Phone Referral File

All referrals received via the toll-free telephone lines will be considered incomplete referrals until all relevant documents

pertaining to the case are received (including the Student Eligibility Report). Thus, a separate file will be maintained to store the referral [redacted] filled out by telephone staff. This file will incorporate [redacted] validation and collection referrals. After data from these forms has been entered into the BATS system, the forms will be stored in this phone referral file until documents arrive from the school. Placement of a referral form in this file indicates that validation cannot begin immediately. Once the documents are provided by the referring institution, the referral form is removed from this file and is placed in the individual case file. In addition, a copy is placed in the Institution File.

6.3: Master Case File

Once a validation or collection referral has been designated complete, i.e. no further information is necessary to begin follow-up, a student case folder is created. This folder contains a Case Report Form, which will be used to record all actions taken in the case, a copy of the referral, and copies of any documents or correspondence relating to the case. This student file is stored in the Master Case Files at all times when it is not being reviewed. Any time that the student folder is removed from the Master Case File, the date, reason for removing the file and initials of the individual removing the file are all recorded. The Master Case File will contain all validation and collection cases, both active and inactive.

6.4: Response File

All [redacted]ail received which constitutes a written response to the v[redacted] requests is filed alphabetically in a folder labelled [redacted] date of receipt. The folder is then filed chronolo[redacted] by date of receipt, so that the oldest mail is processed before other recent mail. The response files are stored in a locked file cabinet to assure the confidentiality of information, as well as to prevent loss of responses. Responses remain in the file cabinet at all times except when the following activities are taken:

- a staff member is ready to process the daily [illegible] of responses
- [illegible]nt calls to check the information pro- [illegible]n his/her response
- [illegible]s to check the nature of a student's [illegible]e.

Whenever a response is removed from the response file, staff also removes the individual case folder from the active case files. This activity is conducted to assure that the response in question has in fact been provided by the student indicated in the response. In addition, it assures that no response is ever separated from the case file, other than during storage in the response file.

6.5: Question File

For each telephone call received, a telephone coding sheet will be prepared identifying the nature of the call. In those cases where the call is a question from a Financial Aid Officer concerning validation, but for which an answer cannot be immediately provided or for which the Office of Education must be consulted, the form will be placed in the Question File. This file will be monitored daily by the telephone supervisor so that appropriate research may be initiated as soon as possible to obtain answers to the questions. This file will assist the contractor in identifying the following:

- areas within the validation process which are misunderstood by Financial Aid Officers
- areas within the validation process which may need further clarification or modification
- [illegible] of concern to OE regarding financial aid [illegible]esponsibility in the validation process.

Onc[illegible]n has been answered, either through a review of all refe[illegible]ials or by obtaining the answer from the Office of Educat[illegible] nature of the question and answer will be incorporated into the telephone service manual utilized by telephone operators and the form that had been stored in the Question File will be destroyed.

6.6: SER Correction File (Validation Only)

SERs that have been corrected as a result of the validation process will be edited and stored in the SER Correction File on a daily basis pending delivery of these SERs to the processing agency in Iowa City, Iowa. It is expected that SERs will be forwarded for re-processing on a weekly basis. Separate files will be maintained for SERs from the various academic years in which validation may have occurred. This allows easy preparation of SERs for the following types of re-processing:

- corrections processed through the 1977-78 Basic Grant data base file
- corrections processed via the mini data base file
- hand calculations for prior year SERs not included on the mini data base file.

On the day preceding the scheduled mailing of corrected SERs, a senior project staff member removes all SERs from the file, prepares a list of all students submitted in this batch of corrections and forwards the SERs to the BEOG processing agent.

Besides containing the actual SERs which require re-processing, this file contains dated records of all batches of SERs for the purpose of monitoring the status of SERs and for recording new eligibility indices once re-processing has occurred.

6.7: Incoming Payment File (Collections Only)

Unprocessed payments are kept in the locked Incoming Payment File. These unopened checks and money orders are stored in chronological order by date of receipt. The contents of this file turn over every [redacted] as the staff processes payments.

6.8: Deposit File (Collections Only)

After [redacted] payments have been processed and the deposit for delivery to OE Finance has been prepared, photocopies of the certificate of deposit and all the payments covered by the certificate are made. One copy of each deposit is placed in the Deposit

Record File. Deposits are maintained in sequential order by deposit number and secured in locked steel cabinets.

APPENDICES TO
PROCEDURAL MANUAL

APPENDIX: VALIDATION INSTITUTION LETTERS

Under Seperate Cover

APPENDIX B: VALIDATION STUDENT LETTERS

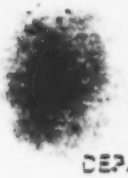
[redacted]perate Cover

[redacted]

APPENDIX C: OVERPAYMENT RECOVERY INSTITUTION LETTERS

Letter	Title
C.1	Request for Additional Information for Incomplete Referrals
C.2	Notification to Financial Aid Officer to Withhold Aid
C.3	Notification to Financial Aid Officer to Release Aid

APPENDIX C.1: REQUEST FOR ADDITIONAL INFORMATION FOR INCOMPLETE REFERRALS



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM
P.O. BOX 34927
WASHINGTON, D.C. 20034

Dear Financial Aid Officer:

We have received a referral requesting assistance in the recovery of an overpayment which occurred at your institution. Before collection can be initiated, additional information about the overpayment is needed. The enclosed checklist specifies the information needed. Please enter the appropriate information only for those boxes which have been checked. You may enter the information on the checklist and return it to this office at the following address:

Basic Grant Program
P. O. Box 34927
Washington, D.C. 20034

If you have any questions about this request, please call toll free (800) 638-2052. Institutions located in Maryland, the District of Columbia, Alaska, Hawaii, Guam, the Trust Territories, or the Virgin Islands may call (301) 585-4150. The telephone service operates from 8:30 A.M. to 5:00 P.M., East Coast Time, Monday through Friday.

We look forward to your prompt response.

Sincerely.

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

RAH/ams
Enclosure

APPENDIX C.1: (Continued)

ADDITIONAL INFORMATION FOR OVERPAYMENT RECOVERY REFERRAL

Student: _____

__ Local A[redacted]: _____

_____

_____

__ Telephone Number: _____

__ Permanent Address: _____

_____

_____

__ Social Security Number: _____-_____-_____

__ Date of Birth: _____

__ Brief Explanation of How Overpayment Occurred: _____

_____

_____

_____

_____

__ Fiscal Year in Which Overpayment Occurred: _____

__ Expected Disbursement Based on Valid SER: $_____

__ Amount Disbursed: $_____

__ Total of Repayments Made to School: $_____

__ Refund by Institution to Basic Grant Fund $_____

__ [redacted] by Student to Institution $_____

__ Amount [redacted] by Student: $_____

__ Student [redacted] Index for Year in Whi[redacted] Occurred: _____

__ Student Educational Cost on Which Award Was Based: $_____

__ Other: _____

_____

_____

_____

APPENDIX C.2: NOTIFICATION TO FINANCIAL AID OFFICER TO WITHHOLD AID

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Dear Financial Aid Officer:

We have received your letter concerning a Basic Grant overpayment disbursed to the student named above. Based on the information provided, we have concluded that the case requires action by this office. Therefore, you are advised to release no further payments under the BEOG, SEOG, NDSL, GSL, and College-Work-Study Programs to the above-named student until you receive notification from this office.

All communications concerning recovery of overpayments from Basic Grant recipients or inquiries from the students themselves should be directed to:

Basic Grant Program
P. O. Box 34927
Washington, D.C. 20034

Or you may call, toll free, (800) 638-2052. Residents of Maryland, Alaska, Hawaii, the District of Columbia, Puerto Rico, Guam, the Trust Territories, and the Virgin Islands may contact us by calling (301) 585-4150. The telephone [redacted] operates Monday through Friday, from 8:30 A.M. to 5:00 P.M. East[redacted]

Thank[redacted] cooperation with effort to recover Basic Grant overpayments[redacted] reasonable effort will be made to expedite the resolution of this [redacted]

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

RAH/ams

APPENDIX C.3

NOTIFICATION TO FINANCIAL AID OFFICER TO RELEASE AID

DEPARTMENT OF HEALTH EDUCATION AND WELFARE
OFFICE OF EDUCATION
BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM
P.O. BOX 34927
WASHINGTON, D.C. 20034

Dear Financial Aid Officer:

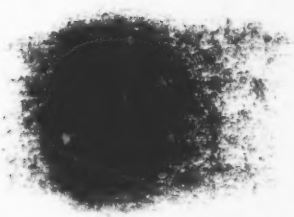
The Basic Grant Office appreciates your participation in the effort to recover overpayments.

We received a referral from your institution concerning the above-named student and have contacted him/her in an effort to recover Basic Grant funds to which the student was not entitled. This individual has satisfactorily completed repayment of his/her Basic Grant debt to this office. Therefore the hold placed on disbursing BEOG, SEOG, GSL, NDSL, and College Work-Study funds to the student because he/she owed a repayment to the Basic Grant Program is released. If the student has no other outstanding debts to these Federally funded programs at the institution, he/she may apply for and, if eligible, receive financial assistance from these programs at your institution.

Sincerely,

Richard A. Hastings

Richard A. Hastings
Acting Director
Division of Certification
and Program Review



APP[redacted] D: OVERPAYMENT RECOVERY STUDENT LETTERS

Letter #	Title
D.1	Initial Letter Notifying Student of Overpayment
D.2	Billing Notification
D.3	Quarterly Follow-Up for Overpayment Recipients who have not Established a Repayment Schedule
D.4	Quarterly Follow-Up for Overpayment Recipients Whose Accounts are Past Due
D.5	First Follow-Up for Overpayment Recipients Who Have Not Established Repayment Schedules
D.6	Second Follow-Up for Overpayment Recipients Who Have Not Established Repayment Schedules
D.7	Late Payment Reminder
D.8	Payment Receipt
D.9	Paid In Full Receipt
D.10	Letter Notifying Overpayment Recipient of Bad Check
D.11	Problem Payment Letters -
	Empty Payment Envelope
	Unsigned Check
	Discrepant Dollar Amounts
	Money Order Not Payable to USOE
	Check Not Payable to USOE
	Incorrectly Dated Check
	Payment Less than Amount Due
	Postdated Check
	Check Unrelated to BEOG
	Money Order Unrelated to BEOG

APPENDIX D.1: INITIAL LETTER NOTIFYING STUDENT OF OVERPAYMENT

[redacted]

P. O. BOX 84727

Account #_____

Cut along the dotted line and return the top portion with your reply.
Mark name and address corrections on the reverse side.

Dear

The Basic Grant Office has been notified by the Financial Aid Officer at your school that you have received a Basic Grant overpayment. You are required by law to pay back to the U. S. Office of Education all money which you received but were not entitled to for the following reason(s):

_____ You were awarded a Basic Grant on the basis of an incorrect Student Eligibility Report.

_____ You dropped out or withdrew from school prior to the end of the period covered by your Basic Grant award.

_____ You received your Basic Grant check but failed to complete registration or attend classes.

_____ You signed a Student Affidavit stating that you would use your Basic Grant only for expenses related to attendance at a specific school and you have not done so.

[redacted] information we have received from the Financial Aid Officer at [redacted] the amount of money overpaid to you during the 197 - 197 [redacted] school [redacted]. When you signed your Student Affidavit, you agreed [redacted] would repay any portion of the money which could not reasonably be [redacted] to meeting educational expenses at your institution.

We understand that you may not be able to repay the money in one payment. To make repayment easier for you, three payment options are suggested below. Review them and select the one which allows you to meet your legal obligation to repay. If you have a special problem, contact this office immediately so that we may assist you in setting up an acceptable pay plan. You may contact this office by calling, toll free, (800) 638-2052. Residents of Maryland, the District of Columbia, Guam, Puerto Rico, the Virgin Islands, Alaska, Hawaii, or the Trust Territories may contact this office by calling (301) 585-4150. This telephone service operates Monday through Friday, from 8:30 A.M. to 5:00 P.M. East Coast time.

PAYMENT PLAN OPTIONS

1. [redacted] payment of $ every month months.
2. [redacted] first payment of $ and continue monthly payments of $ every month for months.
3. Mail a check or money order payable to the U.S. Office of Education/BEOG for the full amount of the overpayment.

To speed processing of your payment plan selection or questions, please send your response in the enclosed pre-addressed envelope to the following address:

Basic Grant Program
P. O. Box 34927
Washington, DC 20034

Send all correspondence about your Basic Grant overpayment to the above address only. Include your account number (shown above your name) with your payment. If your response includes a payment, please make your check or money order payable to:

U. S. Office of Education/BEOG

Do not send cash.

Under the laws governing the Basic Grant Program, you cannot receive Federally funded financial aid from the Basic Educational Opportunity Grant, Supplemental Educational Opportunity Grant, National Direct Student Loan, Guaranteed Student Loan, and College Work-Study Programs until the entire amount of your BEOG overpayment has been repaid. We have notified the Financial Aid Officer at your scgool to withhold all payments for which you are eligible under these programs until you have repaid the entire amount of the Basic Grant overpayment. In addition, you will not receive financial aid from any of these programs for the school semesters or terms during which you are repaying the overpayment. After you have paid in full, you may apply for and, if eligible, receive financial aid from t[redacted]rams. For these reasons, we urge you to repay the overpa[redacted]ible.

We exp[redacted] within two weeks of the date of this letter. If you have a[redacted] assistance in setting up a payment plan, please sontact [redacted]

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

APPENDIX D.2: BILLING NOTIFICATION

Account #_____ Due Date_____

Amount Enclosed $_____

- -

Cut along the dotted line and return the top part with your reply.
Mark name and address changes on the reverse side.

Dear

This letter confirms your selection of a payment plan. As you indicated in your recent communication with this office, the terms of your payment plan are described below:

TOTAL AMOUNT DUE.....$

Number of monthly payments....

Payment amount.....$

Due on the day of every month

Your first payment of $ is due . Make your check or money order payable to:

U. S. Office of Education/BEOG

DO NOT SEND CASH. Print your name and account number on each payment to insure crediting of the payment to your account. A pre-addressed envelope is enclosed for your payment.

If you have questions about your payment plan, call this office. toll free, at (800) [redacted] residents of Maryland, the District of Columbia, Alaska, Hawaii, [redacted], the Trust Territories, and the Virgin Islands may contact [redacted] (301) 585-4150. The telephone service operates from 8:30 A.M. [redacted] East Coast time, Monday through Friday.

To avoid delays, please send all correspondence and payments to the following address only:

Basic Grant Program
P. O. Box 34927
Washington, DC 20034

APPENDIX D.2 (Continued)

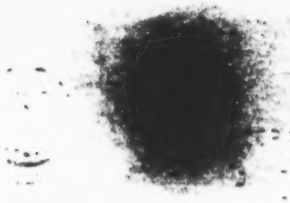
The Ba[redacted] Program appreciates your acceptance of the legal obligation to re[redacted]verpayment.

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

[redacted]

APPENDIX D.3: QUARTERLY FOLLOW-UP FOR OVERPAYMENT RECIPIENTS WHO HAVE NOT ESTABLISHED A REPAYMENT SCHEDULE



P. O. BOX 34927

Account # _____

Amount Enclosed $ _____

Cut along the dotted line and return the top part with your reply.
Mark name and address corrections on the reverse side.

Dear

On three occasions this office has attempted to contact you by letter about a Basic Grant overpayment which you received. Each letter included instructions for setting up a schedule for repaying the $ which you owe. To date you have not established a repayment schedule.

If you are able to begin repaying your overpayment of $ now, contact this office by calling, toll free, (800) 638-2052 for assistance in setting up a repayment schedule. Residents of Maryland, the District of Columbia, Alaska, Hawaii, Puerto Rico, Guam, the Virgin Islands, and the Trust Territories should call (301) 585-4150. Or you may contact this office by sending a letter to:

Basic Grant Program
P. O. Box 34927
Washington, DC 20034

Please [redacted] and account number on all letters about and payments for [redacted] payment account. If you will be including a payment with [redacted] is letter, please make the check or money order payable to:

[redacted] U. S. Office of Education/BEOG

Do not [redacted]

As you may recall, the financial aid officer at your school has been authorized to withhold all financial aid from the Basic Grant, Supplemental Educational Opportunity Grant, National Direct Student Loan, Guaranteed Student Loan and College Work-Study Programs for which you may be eligible until you have repaid the full amount of your Basic Grant overpayment. For this reason you should repay your overpayment as rapidly as possible.

We expect to hear from you within two weeks of the date of this letter. Contact this office for assistance in setting up a repayment schedule.

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

RAH/ams

APPENDIX D.4: QUARTERLY FOLLOW-UP FOR OVERPAYMENT RECIPIENTS WHOSE ACCOUNTS ARE PAST DUE

P.O. Box 34927
Washington, DC 20034

Account # _____ Unpaid Balance $ _____

Amount Enclosed $ _____

- -

Cut along the dotted line and return the top part with your reply.
Mark name and address corrections on the reverse side.

Dear

Your Basic Grant overpayment account is more than 90 days past due. You still owe $ to the Basic Grant Program. At least two past due notices have been mailed to you to remind you that we have not received your payment. To bring your account up-to-date, send a check or money order in the amount of $ to the following address:

Basic Grant Program
P. O. Box 34927
Washington, DC 20034

Please print your name and account number on your payment. Your check or money order should be payable to:

U. S. Office of Education/BEOG

If you cannot meet the payment schedule which you selected, contact this office for assistance in modifying the schedule. For assistance, call us, toll free, at (800) 638-2052. Residents of Maryland, the District of Columbia, Alaska, Hawaii, Puerto Rico, Guam, the Trust Territories, and the Virgin Islands should call (301) 585-4150. This telephone service operates Monday through Friday, from 8:30 A.M. to 5:00 P.M., East Coast time. You may also contact this office by sending a letter to the address above. Please print your name and account number on all correspondence about and payments for your Basic Grant overpayment.

As you may recall, the financial aid officer at your school has been authorized to withhold all financial aid from the Basic Grant, Supplemental Educational Opportunity Grant, National Direct Student Loan, Guaranteed Student Loan, and College Work-Study Programs for which you may be eligible until you have repaid the entire amount of your Basic Grant overpayment. This hold is still in effect. For this reason we urge you to repay this debt as rapidly as possible.

We expect to hear from you within two weeks of the date of this letter. Please contact us if you need assistance or if you have a special problem which makes it difficult for you to repay at this time.

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

RAH/ams

APPENDIX D.5: FIRST FOLLOW-UP FOR OVERPAYMENT RECIPIENTS WHO HAVE NOT ESTABLISHED REPAYMENT SCHEDULES

Account # _____

Cut along the dotted line and return the top part with your reply.
Mark name and address corrections on the reverse side.

Dear

This office previously notified you of your receipt of a Basic Grant overpayment and your legal responsibility to return that overpayment. A photocopy of that letter is enclosed for your reference.

Review the payment options described in our last letter, choose one, and inform this office of your choice by . If you are unable to meet any of the payment options as described, contact this office by calling, toll free (800) 638-2052 for assistance. Residents of Maryland, the District of Columbia, Alaska, Hawaii, Puerto Rico, Guam, the Trust Territories, and the Virgin Islands should call (301) 585-4150. This telephone service operates Monday through Friday from 8:30 A.M. to 5:00 P.M., East Coast time.

All correspondence and payments for your Basic Grant account must include your name and account number. The address to which all payments and letters should be sent is:

Basic Grant Program
P. O. Box 34927
Washington, DC 20034

APPENDIX D.5: (Continued)

We will review your choice of a payment plan and notify you of the billing procedures, the amount due, and the date each payment is due. Payments should be in the form of checks or money orders payable to:

U. S. Office of Education/BEOG

We expect that a proper response to our requests will be made. We urge you to reply within one week.

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

APPENDIX D.6: SECOND FOLLOW-UP FOR OVERPAYMENT RECIPIENTS WHO HAVE NOT ESTABLISHED A REPAYMENT SCHEDULE

Account # _____

- -

Cut along dotted line and return the top part with your reply.
Mark name and address corrections on reverse side.

Dear

As you know, the Basic Grant Office has contacted you recently about a Basic Grant overpayment you received. You were asked to review several options for repaying this debt and to notify this office of your choice. You were also asked to contact this office if you could not meet the terms of the options described. To date, you have not selected a repayment plan.

Review the payment options as described in our earlier letters and select the one which best suits your ability to pay. If none of the options is satisfactory, call this office toll free at 800-638-2052 or 800-638-2053 so that we may assist you. Residents of Maryland, the District of Columbia, Puerto Rico, Guam, Alaska, Hawaii, Trust Territories, and the Virgin Islands, may contact as by calling 301-585-4150. This telephone service operates Monday through Friday, from 8:30 A.M. to 5:15 P.M. Eastern time. In addition, you may contact this office by sending a letter to the following address:

Basic Grant Program
U.S. Office of Education
P.O. Box 34927
Washington, D.C. 20034

Send all letters and payments to the above address only. Mail sent to all other addresses will not reach this office as quickly. All correspondence or payments pertaining to this matter should include your name and your account number. Your checks or money orders should be payable to:

U.S. Office of Education/B.E.O.G.

We also advise you of the seriousness of this debt to the Basic Grant Program. You have received more money than you were entitled to and you must return the amount of the overaward to the Basic Grant Program. If you have not notified this office of your choice of a payment plan within one week of the date of this letter, your case may be turned over to the General Accounting Office for review and additional collection activity.

In addition, the financial aid officer at your school has been instructed to withhold all financial aid for which you are eligible under the BEOG, SEOG, Guaranteed Student Loan, National Direct Student Loan, and College Work-Study Programs until you have repaid the entire amount of your overpayment. Upon complete repayment of the debt, we will notify the financial aid officer that your overpayment has been returned to the Basic Grant Program and that you may apply for and, if eligible, receive financial assistance from these programs.

Therefore, we urge you to comply with this request to select a payment plan within one week and to repay this debt as soon as you possibly can. Your cooperation with this request will be greatly appreciated.

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

RAH/ams

APPENDIX D.7: LATE PAYMENT REMINDER

Account #_____ Date Due _____

Amount Enclosed $_____

- -

Cut along the dotted line and return the top part with your reply.
Mark name and address corrections on the reverse side.

Dear

As you know, the Basic Grant Office has notified you of your receipt of a Basic Grant overpayment. You recently contacted this office and set up a repayment schedule.

A current billing notice advising you of the status of your account, the amount of the installment due, and the date on which it was due was sent to you on . To date we have not received your payment. If you have not mailed your payment, please forward a check or money order payable to the:

U. S. Office of Education/BEOG

in the amount of $ within 7 days. A pre-addressed envelope is enclosed for your payment. If you have aproblem which makes it difficult for you to meet the billing schedule, contact this office by sending a letter to:

Basic Grant Program
P. O. Box 34927
Washington, DC 20034

To avoid delays, send payments and letters about your Basic Grant account to the above address only.

We must remind you that you are legally responsible for returning all grant money which you received but were not entitled to. We request that you respond ot this reminder within 7 days of the date of this letter. Please print your name and account number on each payment and on all correspondence pertaining to your Basic Grant account.

If you have already mailed your payment to this office, please disregard this letter.

APPENDIX D.7: (Continued)

If you have any questions or require further assistance, call this office toll free at (800) 638-2052. Residents of Maryand, the District of Columbia, Alaska, Hawaii, Puerto Rico, Guam, the Virgin Islands, and the Trust Territories may contact us by calling (301) 585-4150. The telephone service operates Monday through Friday from 8:30 A.M. to 5:00 P.M. East Coast time.

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

APPENDIX D.8: PAYMENT RECEIPT

DEPARTMENT OF HEALTH EDUCATION AND WELFARE
OFFICE OF EDUCATION
BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM
P.O. BOX 34927
WASHINGTON, D.C. 20034

Account #_____ Due Date _____

Amount Enclosed _____

- -

Cut along dotted line and return the top part with your reply.
Mark name and address corrections on the reverse side.

This letter confirms that the Basic Grant Office has received your payment dated in the amount of $. Your Basic Grant overpayment account has been updated as follows:

Previous balance . . . . . $
Current payment. . . . . $
_____
New balance. . . . . $

Your next payment of $ is due by . Please make your check or money order payable to:

U.S. Office of Education/B.E.O.G.

Do not send cash. Please print your name and account number on each check or money order.

We have enclosed a pre-addressed envelope for your convenience. To avoid delays, please send all payments and letters about your Basic Grant overpayment account to the following address only:

Basic Grant Program
P.O. Box 34927
Washington, D.C. 20034

Sincerely,

Richard A. Hastings

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

Enclosure

APPENDIX D.9: PAID-IN-FULL RECEIPT

Account # _____

This is to confirm that we have received your payment for $ dated . We are pleased to inform you that this amount renders you account "paid in full" and fulfills your obligation to the Basic Grant Program. In addition, we have advised the financial aid officer at your school that you have repaid the entire amount of your Basic Grant overpayment and that you may apply for and, if eligible, receive financial aid from the BEOG, SEOG, National Direct Student Loan, Guaranteed Student Loan and College Work-Study Programs.

We appreciate the manner in which you have accepted your responsibility to repay your Basic Grant overpayment, and we wish you every success in pursuing your education and your career.

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

RAH/ams

APPENDIX D.10: LETTER NOTIFYING OVERPAYMENT RECIPIENT OF BAD CHECK

The Basic Grant Office recently received a check from you as partial (complete) payment for a Basic Grant overpayment. Unfortunately the check has been returned to us because there are insufficient funds for paying the check in your account. We are returning the check to you for your records.

In order to keep your Basic Grant repayment plan on schedule, we require that you send payment to this office within one week. We strongly suggest that you send either a certified check, which you may obtain from your bank, or a money order payable to the:

U.S. Office of Education/B.E.O.G.

in the amount of $ as a replacement for the check which we are returning to you. Please do not send cash for your payment. A pre-addressed, envelope has been enclosed for your convenience in forwarding the payment to us.

If you have any questions about this matter, you may call this office, toll free, at 800-638-2052 or 800-638-2053 or send a letter to:

Basic Grant Program
P.O. Box 34927
Washington, D.C. 20034

To avoid delays, please send all payments and letters about your Basic Grant overpayment account to the above address only.

Your prompt attention to this matter will be greatly appreciated.

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

Enclosures

APPENDIX D.11: PROBLEM PAYMENT LETTERS - Empty Payment Envelope

The Basic Grant Office recently received a payment envelope from you. Unfortunately, the envelope was empty. Our records indicate that you payment due has not been received yet. If you have inadvertently neglected to send in the payment, please use the enclosed pre-addressed envelope to mail your check or money order within a week to:

Basic Grant Program
P.O. Box 34927
Washington, D.C. 20034

All payments should be payable to the:

U.S. Office of Education/B.E.O.G.

If you have any questions or require further assistance, you may contact this office, toll free, at 800-638-2052 or 800-638-2053. Please disregard this letter if you have already forwarded payment to this office. Your prompt attention to this matter will be appreciated.

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

Enclosure

APPENDIX D.11: PROBLEM PAYMENT LETTERS - Unsigned Check

The Basic Grant Office appreciates your response to our recent billing notice. However, we are returning the check to you because it is unsigned. Please sign it and mail it back to this office within one week in the enclosed pre-addressed envelope. Upon receipt of the signed check we will credit the payment to your account.

If you have any questions or need further assistance, you may call this office, toll free, at 800-638-2052 or 800-638-2053 or send a letter to:

Basic Grant Program
P.O. Box 34927
Washington, D.C. 20034

To avoid delays, please send all correspondence and payments for your Basic Grant overpayment account to the above address only.

Thank you for your cooperation with this request.

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

Enclosures

APPENDIX D.11: PROBLEM PAYMENT LETTERS - Discrepant Dollar Amounts

The Basic Grant Office recently received your check dated as partial payment/payment in full of your Basic Grant overpayment account. Unfortunately, we are unable to credit this payment to your account because the check contains a discrepancy and cannot be cashed. We have enclosed the incorrect check for your reference.

Please note that the dollar amount of the check appears in two places: in numerals on the first line; and in words on the second line. On the check which we are returning, the amount entered on the first line is $; the amount entered on the second line is , or, in numerals, $. The amount due for this installment of your Basic Grant overpayment account is $.

To keep your account current, please forward a new check or money order payable to the:

U.S. Office of Education/B.E.O.G.

in the amount of $. This check will serve as a replacement for the check which we are returning to you with this letter. A preaddressed, envelope has been enclosed for your convenience in forwarding your payment to this office. Please print your name and Social Security number on each payment and letter. To avoid delays, send payments and letters to the following address only:

Basic Grant Program
P.O. Box 34927
Washington, D.C. 20034

We appreciate your prompt attention to this matter and expect to hear from you within a week.

If you have any questions or require further assistance, you may contact this office, toll free, at 800-638-2052 or 800-638-2053.

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

Enclosure

APPENDIX D.11: PROBLEM PAYMENT LETTERS - Money Order Not Payable to USOE

The Basic Grant Office recently received a money order from you as a payment for your Basic Grant overpayment account. We appreciate your response to our recovery efforts.

Although you have an overpayment account with Basic Grants, we cannot credit this payment to your account because the money order is not payable to the U.S. Office of Education/B.E.O.G. Please note that all payments must be made out to:

U.S. Office of Education/B.E.O.G.

We are returning the incorrectly drawn money order to you. Please take it back to the place where you purchased it and ask to exchange it for a new money order payable to:

U.S. Office of Education/B.E.O.G.

This new money order should be mailed within a week to:

Basic Grant Program
P.O. Box 34927
Washington, D.C. 20034

A pre-addressed envelope has been enclosed for your convenience in forwarding the payment to this office. To avoid delays, please send all letters and payments to the above address only.

If you have any questions or require further assistance, you may call this office, toll free, at 800-638-2052 or 800-638-2053.

We expect to hear from you in the near future.

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

APPENDIX D.11: PROBLEM PAYMENT LETTERS - Check Not Payable to USOE

The Basic Grant Office recently received a check from you as a payment for your Basic Grant overpayment account. We appreciate your response to our recovery efforts.

Although you have an overpayment account with Basic Grants, we cannot credit this payment to your account because it is not payable to the U.S. Office of Education/B.E.O.G. Please note that all payments must be made out to:

U.S. Office of Education/B.E.O.G.

Please send a new check payable to the U.S. Office of Education/B.E.O.G. within a week. This will enable us to credit the payment to your account. A preaddressed envelope has been enclosed for your convenience in forwarding your payment to this office at the following address:

Basic Grant Program
P.O. Box 34927
Washington, D.C. 20034

To avoid delay, please send letters and payments the above address only.

If you have any questions or require further assistance, you may call this office, toll free, at 800-638-2052 or 800-638-2053.

We look forward to your prompt response.

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

Enclosure

APPENDIX D.11: PROBLEM PAYMENT LETTERS - Incorrectly Dated Check

The Basic Grant Office recently received your check dated as partial payment of a Basic Grant overpayment. Unfortunately, the check is incorrectly dated and therefore cannot be credited to your account. We are returning the check with this letter.

In order to keep your account up-to-date, please forward a check with the current date in the enclosed pre-addressed envelope to:

Basic Grant Program
P.O. Box 34927
Washington, D.C. 20034

To avoid delays, please send correspondence and payments to the above address only.

Please print your name and Social Security number on each payment to insure crediting of your payment to your account. Your prompt attention to this matter will be appreciated.

If you have any questions or need further assistance, please call this office, toll free, at 800-638-2052 or 800-638-2053.

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

Enclosures

APPENDIX D.11: PROBLEM PAYMENT LETTERS - Payment Less Than Amount Due

The Basic Grant Office recently received a payment for crediting to your Basic Grant overpayment recovery account. The payment, in the amount of $, has been credited to your account.

In reviewing the payment plan which you selected, it has come to our attention that the payment mentioned above is $ less than the amount due. We urge you to forward a check or money order, payable to the:

U.S. Office of Education/B.E.O.G.

in the amount of $ to this office within one week in order to keep your account current. Your payment may be sent in the enclosed, pre-addressed envelope to the following address only:

Basic Grant Program
P.O. Box 34927
Washington, D.C. 20034

We must remind you that you selected the payment plan which best suited your ability to pay. If you are unable to meet the payments as agreed to, please contact this office, toll free, at 800-638-2052 or 800-638-2053. Every reasonable effort will be made to help you meet your responsibility to return the overpayment. Please do not hesitate to call if you have any questions or require further assistance.

Your prompt attention to this matter will be appreciated greatly.

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

Enclosures

APPENDIX D.11: PROBLEM PAYMENT LETTERS - Postdated Check

The Basic Grant Office recently received your check dated as partial payment of a Basic Grant overpayment. Unfortunately, the check is postdated and therefore cannot be cashed and credited to your account. We are returning the check with this letter.

In order to keep your account up-to-date, please forward a check with the current date in the enclosed pre-addressed envelope to:

Basic Grant Program
U. S. Office of Education
P. O. Box 34927
Washington, D. C. 20034

To avoid delays, please send all correspondence and payments for your Basic Grant overpayment account to the above address only.

Please print your name and Social Security number on each payment to insure proper crediting of your payment to your account. Your prompt attention to this matter will be appreciated.

If you have any questions or need further assistance, please call this office, toll free, at 800-638-2052 or 800-638-2053.

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

Enclosures

APPENDIX D.11: PROBLEM PAYMENT LETTERS - Check Unrelated to BEOG

The Basic Grant Office of the U.S. Office of Education recently received a check from you. We are returning the check to you because it is unrelated to the Basic Grant Program. Please check your records and forward it to the correct recipient.

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

Enclosure

APPENDIX D.11: PROBLEM PAYMENT LETTERS - Money Order Unrelated to BEOG

The Basic Grant Office of the U.S. Office of Education recently received a money order from you. We are returning the money order to you because it is unrelated to the Basic Grant Program. Please check your records and forward it to the correct recipient.

Sincerely,

Richard A. Hastings
Acting Director
Division of Certification
and Program Review

Enclosure